

FINANCIAL TIMES

No. 30,773

Weekend February 18/February 19 1989

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WORLD NEWS

Steel pieces discovered in Anchor butter

Anchor Foods is recalling some packets of butter after small pieces of non-toxic stainless steel from butter-making machinery were discovered in two packets.

Arctic ozone fears
The ozone layer, which protects the Earth from the sun's harmful ultra-violet rays, appears to be breaking down over the Arctic.

Record damages award
A 39-year-old woman, paralysed after a road accident, was awarded record damages of almost £900,000.

Rafts 'did not inflate'
Life rafts from the blazing Piper Alpha oil rig failed to inflate, the Aberdeen inquiry into last July's disaster heard.

Open verdict on raider
A London inquest jury returned an open verdict on armed robber Dennis Bergin, shot dead by police as he and his gang tried to steal paintings from a London museum.

Scottish pit closure
Barony Colliery, Strathclyde, one of Scotland's four remaining pits, is to close, with the loss of 400 jobs.

More salmonella cases
Three more residents of a Stroud, Gloucester, old people's home were diagnosed as suffering from salmonella, bringing the total to 14.

Brain drain 'a myth'
The Government said the "brain drain" of university academics leaving Britain for lucrative foreign postings was a myth.

Czech clampdown
Czechoslovakia introduced a new public order offence in an attempt to clamp down on demonstrations.

Pakistan satellite launch
Pakistan's first satellite is ready to be launched, the official Associated Press of Pakistan news agency said.

5 Africa bans magazines
South Africa banned two anti-apartheid publications for three months because they had ignored warnings not to publish subversive material.

Mato summit agreed
France agreed in principle to summit meeting of the North Atlantic Treaty Organisation in Brussels in May.

Communist chief sacked
Yugoslav Communists sacked a former party boss, Milanko Renovic, from their policy-making Central Committee for using illegal funds to build himself a seaside villa in his home region of Bosnia.

'Suicide attempt'
Hans Remmer, deputy head of Imhausen-Chemie of West Germany, under investigation for helping Libya build an alleged poison gas plant, is critically ill after an apparent suicide attempt, police said.

Stresser family in US
The wife and daughter of ousted Paraguayan Dictator Alfredo Stroessner flew to Miami.

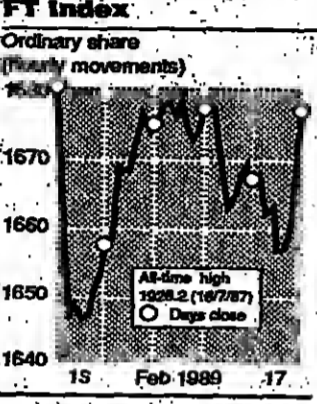
Hudson Aids award
A Los Angeles jury awarded six extra \$7.5m (\$4m in damages to Rock Hudson's lover Marc Christian, who has already received an award of \$14.5m because the film star failed to reveal he had Aids. Mr Christian has not contracted the disease.

BUSINESS SUMMARY

US visible trade deficit narrows

US TRADE DEFICIT on visible items narrowed to a seasonally adjusted \$11.5bn (\$8.7bn) in December from November's revised \$12.3bn after imports and exports hit record levels.

LONDON EQUITIES staged a late recovery yesterday after a volatile week in which the market reacted to important economic data from both sides



of the Atlantic. Yesterday the FT Ordinary share index gained 10.9 points to close at 1678.1 - less than three points down on last Friday's finish.

FWS HOLDINGS, troubled Lloyd's insurance broker, has postponed publication of its annual results indefinitely.

NORWICH UNION, UK life insurer, is criticised by Sir Gordon Borrie, Director-General of Fair Trading, for blaming the rise in life insurance prices on the O.P.T.'s ban on the insurers' commission cartel.

SAVE & PROSPER, UK pioneer of the low interest rate Visa credit card, is to offer a card with an annual charge linked to interest rates even lower than before.

MARINA Development Group executive directors are working on a buyout plan to challenge Local London Group's 57.7m bid.

GOLD fell to its lowest price for two and a half years. In London, bullion touched \$378.15 a troy ounce but recovered to close at \$380.5.

BROWN SHIPLEY Holdings, City financial services group, is selling its consumer credit company, Medsons Trust, to US-based Associated Corporation, an arm of Gulf + Western, for a total \$19.8m.

AVELING BARFORD, Police have identified - but not named - those involved in deals which left a shortfall in the pension fund of the building machinery company, which went into liquidation last June.

ZURICH INSURANCE of Switzerland is buying US auto insurer Maryland-Casualty Group for \$740m (\$418.7m).

YINNISH PAPER makers United Paper Mills and Kajani unveiled plans to merge by the end of the year. Kajani is involved with UK Stirling Fibre in a proposed new joint venture at Gartoch, Scotland.

FORD of the US announced record \$1.56bn (\$978.6m) net profits from West-European motor and financial services business.

VOLKSWAGEN of West Germany recorded a 9 per cent rise in turnover to DM50bn (£23.4bn) last year and said final group profits, due in May, would show a marked increase.

ATLAS COPCO, Swedish mining, building and industrial equipment maker, improved net profits by 46 per cent to SKr1.155bn (£104.1m) last year.

Iran may be prepared to accept apology by Rushdie

IRAN said it may be prepared to pardon Mr Salman Rushdie, the Indian-born British writer condemned to death by Ayatollah Ruhollah Khomeini, if he apologises for his book, The Satanic Verses, writes Victor Mallet.

The West German Foreign Ministry yesterday delivered a protest to the Iranian ambassador about Ayatollah Khomeini's death threat. The European Community is due to discuss the issue on Monday.

Elsewhere there were renewed demands for Rushdie's death. Right wing Moslems in Pakistan called for his extradition and execution, while fundamentalists in Bangladesh demanded that he be hanged.

ing. However, a Libyan Islamic official criticised Iranian calls for Mr Rushdie's death and called for a "scientific" response to the book "Calls for killing Salman Rushdie have shown Moslems as fanatics and bigots," said Mahrouk Othman Ahmed, head of the Tripoli-based "Islamic Call" college, a missionary group.

Inflation at 7.5% hits interest rate hopes

HOPE OF AN early cut in interest rates receded yesterday after official figures showed that Britain's annual rate of inflation rose to 7.5 per cent last month, its highest level for 6 1/2 years.

December and 3.7 per cent in January last year. The figures drew a sharp reaction from the Opposition and business leaders.

The figures ended a week of mixed economic news which left UK financial markets less confident about the future course of inflation than they were a week ago.

Afghan plea to US by Gorbachev

PRESIDENT Mikhail Gorbachev of the Soviet Union yesterday sent a personal appeal to President George Bush for help in settling the Afghan conflict.

It came amid signs that President Najibullah, the embattled leader of the Communist regime in Kabul, is becoming increasingly desperate in his attempts to find a way either to stay in power or to leave office safely.

President Bush said he had been trying to negotiate with some Afghan mujahideen - resistance - commanders and that he had sent emissaries to Rome to discuss the situation with exiled King Zahir Shah, who was deposed in 1973.

Some estimates suggest up to 70 per cent of the Afghan people would welcome a role for him in the absence of any other strong or unifying personality to lead the country.

The mujahideen have lost more than 400,000 men in a decade of fighting a jihad or holy war against the atheistic anti-religious forces of both the Soviet Union's occupation forces and the army of the Communist regime in Kabul.

However, President Najibullah yesterday made a great show of going to Friday prayers, accompanied by about 60 security agents, at a Kabul mosque. Afterwards he said peace would come to Afghanistan in "maybe weeks".

President Najibullah also said yesterday he and his government would welcome a role for him in the absence of any other strong or unifying personality to lead the country.

Bar willing to give up monopoly

THE BAR COUNCIL, the governing body for barristers, has indicated its willingness to see barristers' traditional monopoly in the higher courts broken by solicitors.

In a report detailing the Bar's objections to the proposal for the reform of the legal profession unveiled last month by Lord Mackay, the Lord Chancellor, the council accepts that solicitors should be given the right to conduct cases in, and become judges of, the High Court.

critical of the Mackay proposals, will be circulated to all barristers, and to "opinion formers", as part of the Bar's campaign against the reform proposals.

Mr Alexander Besmertnykh, the deputy Soviet foreign minister, said in Moscow that in addition to President Gorbachev's personal message to Mr Bush the Soviet Union had also appealed to the governments of France, Britain, West Germany, Italy, Iran, Pakistan and China, the United Nations, the Islamic Conference, the Organisation of African Unity, the Arab League and the European Community, to help in ending bloodshed in Afghanistan.

However, Mr Yuri Vorontsov, the first deputy Soviet foreign minister and currently Soviet ambassador to Kabul, took a decidedly more belligerent tone in New Delhi where he accused Pakistan of deploying artillery near the Afghan city of Jalalabad, and warned that Moscow could not remain indifferent if Pakistan intervened militarily to back Afghan rebels.

EC not to oppose Minorco bid

THE European Commission yesterday said it would not want to stand in the way of any renewed bid by Minorco, the South African-controlled investment company, for Consolidated Gold Fields, the UK diversified mining group.

parties associated with them. Sir Leon Brittan, Commission vice-president responsible for competition policy, emphasised the importance of maintaining competition in the European Community platinum market, which would be monitored closely.

bid. However, both companies have been anxiously awaiting the Commission's decision after Gold Fields asked it to look at the impact a joint group would have on competition in some markets.

GUINNESS FLIGHT

TWO EQUITY FUNDS WITH PERFORMANCE & POTENTIAL
With the market downturn of October 1987 well behind us, should you now be reappraising your view of worldwide equities?

EUROPEAN FUND +63.8%
JAPAN & PACIFIC FUND +130.0%
GENERAL INFORMATION
Investors are reminded that as a consequence of the general nature of the investments held and of possible exchange and interest rate fluctuations, the value of their shares and the yield from them may go down as well as up and that past performance is no guide to the future.

MARKETS
STERLING New York lunchtime: \$1.7775
DOLLAR New York lunchtime: DM1.857
STOCK INDICES FT-SE 100: 2,042.9 (+9.1)

MARKETS continued
LONDON EQUITIES FT-SE 100: 2,042.9 (+9.1)
LONDON EQUITIES FT-SE 250: 2,173.29 (+39.81)

CONTENTS
UBS and Philips & Drews 6
Man in the News 6
Editorial Comment 6
Price of lost credibility 7
Whistleblowers 7
Soweto's tarnished symbol 7
The Salman Rushdie affair 7
Britain's angry Moslems 7

CONTENTS continued
Appointments 15
Commodity Prices 10
Recent Issues 6
Share Information 19-21
Stock Markets 15
War Street 12-13
Bourses 12-13
SE Dealings 14
UK Under the Spotlight 3-4
Employment 4
Unit Trusts 15-19
Weather 22

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OVERSEAS NEWS

Iranian politics led to attack on Rushdie

The uproar stems only in part from religion, reports Scheherazade Daneshkhu

THE MOST fascinating aspect of Ayatollah Ruhollah Khomeini's edict - calling for the death of Mr Salman Rushdie, author of the novel 'The Satanic Verses'...

there is little doubt that such compromises, as well as the revisions to the Islamic code of conduct made over the years by Khomeini himself...

the consequences of such a statement rather than the main impetus behind it. Moreover, those decrees of the Ayatollah's most at variance with official policy are usually diluted or left to hang in the air...

meini's opinions carry considerably more weight than any one else's, they form only one part of Iran's complex political system. After all, it was only a month or so ago that a Majlis deputy came out with the extraordinary remark that, although the atheism of communist groups made them ineligible to form political parties...



President Khatameneh and Ayatollah Khomeini: reflecting the complexity of Tehran politics

Islam by the Great Satan (the US) and his henchmen. Mr. Khatameneh also said Khomeini's remarks were aimed at the 'well-calculated and extensive plot' orchestrated against Islam.

meini's remarks are not an attack on a particular country. Yesterday, President Ali Khatameneh said the death sentence against Mr Rushdie might be rescinded if he apologised to all Moslems and admitted he had made a mistake. Mr Khatameneh also ordered demonstrators to stay away from the British embassy and other foreign missions in Iran.

Although Ayatollah Khomeini's opinions carry considerably more weight than any one else's, they form only one part of Iran's complex political system. After all, it was only a month or so ago that a Majlis deputy came out with the extraordinary remark that, although the atheism of communist groups made them ineligible to form political parties, we are not against their views and the state will not interfere because of their beliefs.

Flamboyant Bernie Cornfeld back in the limelight

By William DuBois in Geneva

MR BERNARD "Bernie" Cornfeld, the flamboyant American who secured a place in financial history in the 1960s with the phenomenal growth and spectacular crash of his mutual fund empire, will re-enter the limelight next week. He has been subpoenaed to give evidence on Wednesday in the office of Assistant US Attorney Caroline Reynolds in Los Angeles. The liquidators of his Fund of Funds are claiming damages from Credit Suisse, one of the big Swiss banks.

damages against Credit Suisse being pursued by Touche Ross, Canada, the liquidators for the Fund of Funds, is the transfer of money held by the Swiss bank to Overseas Development Bank, a small Luxembourg bank wholly owned by IOS, from which the funds disappeared. This transfer was made after Mr Vesco had won control over IOS.

investors' money to a small, thinly capitalised bank with only five employees. Up to that point the Swiss bank had been a "perfect" depository of cash for IOS. A clause in the IOS contract with the bank stipulated that Credit Suisse should not transfer funds to a fiduciary with a capitalisation of over \$5m, Mr Cornfeld said. ODB's capital had been increased from \$150,000 to \$5m just before the transfer was made.

York". An appeal is pending. Proceedings for the hearing of several witnesses, including Mr Cornfeld, were being taken in the Fund of Funds case, but these related not to the transfer of funds to Luxembourg but to the question of whether Credit Suisse had received interest on deposits with Bank of New York, the lawyer said. The claim for damages submitted to the Zurich court was \$26m, not \$60m, he added. Mr Cornfeld will always be remembered for his question to his salesmen: "Do you sincerely want to be rich?"

SDP-Green rule nearer for city of West Berlin

By David Goodhart in Bonn

THE PROSPECTS of a government of Social Democrats and Greens in West Berlin rose significantly yesterday when representatives of the Alternative List (Local Greens) accepted an SPD paper containing the three conditions which the party demands be met as a condition for formation of a coalition. The three are acceptance of the administrative relationship between Bonn and Berlin, renunciation of violence, and acceptance of the allied powers' presence in the city in broadly its present form.

Venezuela liberalises economy

By Joseph Mann in Caracas

VENEZUELA'S two-week-old government has unveiled a bold economic programme designed to reduce its dependence on petroleum exports and pave the way for sustained economic growth. The measures, announced on Thursday night by President Carlos Andrés Pérez in a televised address, include: elimination of the two-tier exchange rate system for the bolivar - made up of an official exchange rate and a free market rate - and its replacement by a single floating exchange rate; liberalisation of official controls on domestic interest rates, as well as on the prices of most goods and services; reform of tariff and trade regulations; and establishment of a high-priority programme to promote non-petroleum exports.

fare initiatives that may surely test his pledge to rein in government spending. The timetable for implementing these measures is not yet clear and a number of elements - including a policy for private sector foreign debt - are still lacking. But the economic package as a whole is strong medicine for Venezuela and will lead to heavy inflationary pressures and a domestic economic contraction over the next year or two. The shift in the exchange rate amounts to a big devaluation of the bolivar, since the official exchange rate of 14.5 bolivars to the US dollar - used until now for most transactions - will be eliminated. The new floating rate is to be applied to all commercial and financial transactions, the president said. The bolivar stood at around 98 to the dollar on Thursday in free market trading in Caracas, compared with 80 to the dollar in February last year.

Compromise over poll candidates on French left

By George Graham in Paris

FRANCE'S left-wing parties last night reached a last-minute compromise limiting the number of towns in which they will fight each other in municipal elections next month. The Socialist and Communist parties had agreed a national framework last month for presenting joint lists of candidates in the two-round municipal elections, to stop divisions in the left handing mayorships to the right. Until the middle of this week it seemed likely that there would still be competing Communist and Socialist candidates in at least half of France's 400 largest towns.

Arctic ozone layer 'breaking down'

THE Earth's protective ozone layer seems to be breaking down over the Arctic, a team of international scientists said yesterday, but it is not yet clear to what extent pollution may be to blame, Reuters reports from Oslo.

Completed last week. In a statement summarising their first findings, the scientists said: "Measurements carried out towards the end of the project indicate that a photochemical breakdown of ozone has taken place... The structural chemical composition over the Arctic area was found to be strongly disturbed." David Fishlock writes: Ozone, which strongly absorbs ultra-violet radiation from the sun, is believed to be breaking down to oxygen in the presence of CFC, a chemical used globally as industrial refrigerants, medical anaesthetics and aerosol can propellants.

FRANCE yesterday agreed in principle to a summit meeting of the North Atlantic Treaty Organisation (Nato) in Brussels in May. Mr Roland Dumas, French Foreign Minister, announced the country's agreement to the summit during the visit of his US counterpart, Mr James Baker, to Paris yesterday. Mr Baker was completing a tour of Nato capitals. The idea of a Nato summit, to address among other questions the modernisation of the alliance's tactical nuclear weapons force, was raised by the UK, which suggested London as the venue. The summit could give rise to disagreements, because of West Germany's objections to the US proposal, backed by the UK, for the introduction of a new tactical air-surface missile (TASM) in the mid-1990s. The French Foreign Ministry said Mr Baker had also discussed third world debt.

Paris agrees Nato summit

By George Graham in Paris and Tim Dickson in Brussels

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Maghreb union

Leaders of five North African states proclaimed the Arab Maghreb Union yesterday and signed a treaty to set up a new economic bloc, Reuters reports from Marrakech.

The union, the second regional Arab grouping formed in two days, brings together the 62m people of Algeria, Libya, Mauritania, Morocco and Tunisia. It extends 3,000 miles from the Atlantic to the eastern Mediterranean.

Kampuchean talks

Kampuchean warring factions ended a second day of peace talks yesterday saying little had been achieved, Reuters reports from Jakarta.

However, Ali Alistas, Indonesian Foreign Minister, said some progress had been made in what were only preliminary talks before the meeting tomorrow between heads of factions.

Where women cannot hold up even half the world

Christina Lamb examines the threat to female participation in a post-communist Afghanistan

ON the day the last Soviet soldiers began leaving Kabul, Tajwar Kakar, an Afghan woman teaching female refugees at Peshawar in Pakistan, received another death threat from Mr Gulbuddin Hekmatyar, leader of the most extreme of the fundamentalist resistance parties. She had spent years in Kabul's notorious Puli-Charki prison for her work with the resistance, before escaping to Pakistan. She barely glanced at the typed sheet signed by the leader. It said that, if she did not immediately stop teaching women they need not wear burqas (head-to-toe outfits that leave only a small grille to see through), she would be killed. Women like Tajwar Kakar, who have participated in the jihad - the fight against the invader - dread the advent of a fundamentalist government in Afghanistan. Women may have suffered the most, and make up more than half the population, but will have no say in the future.



Women of Kabul can still choose fundamentalist and modern outdoor attire

those days men and women served the jihad equally," she says, pointing out that the biggest demonstration against the regime was one by women.

She was eventually arrested and jailed. "I was treated like a wild animal. They beat me, used electric shocks, shone strong lights in my eyes and

tied my hair to hooks in the ceiling so I could not sleep, I still have dents in my skull and cracks in my nails." When released in 1983, she began

organising but heard the Soviets forces planned to arrest her again. She fled with her eight-year-old baby and seven children, walking for a month.

In Peshawar she contacted Jamiat and was shocked by what she discovered. "When I left Afghanistan I never imagined I would stop struggling. I thought I'd be trained by Jamiat and go back instead when I got here, I only heard that women should cover their faces and stay at home."

She was forced to sew to make a living. Rejected by the parties as a communist because of her modern views, she contacted aid groups to set up a school for women. Two years ago her first school was established. Now she runs two, where such "un-Islamic" subjects as Journalism are taught. Women such as Tajwar Kakar believe the war has led to a reversal in their status, with many of those who had western ways now forced to wear burqas for the first time. Before the war, in cities at least, these were rarely seen, having been discouraged by King Zahir Shah, who had hoped to turn Kabul into the Paris of the East.

"Tajwar Kakar explains: 'Inside Afghanistan men and women were equal. I used to be in charge of 80 men. Now insults are hurled at us if we don't cover our heads. If Mr Hekmatyar takes power we will never again be free.'"

Dr Durrani, who runs the Psychiatry Centre for Afghan Refugees, says women and children have suffered most from the war. "While men can go and fight, or drink tea in bazars, women are kept shut away, their only social life provided by visits to the camp dispensaries. The drastic change in social life has stultified and damaged their future mental life. Women have been forced to migrate to cities, away from their country, and once from themselves."

Shevardnadze trip

Mr Eduard Shevardnadze, Soviet Foreign Minister, began Moscow's most intensive diplomatic offensive in the Middle East for years in Damascus yesterday, convinced the time is ripe for a vigorous push towards peace, Reuters reports from Damascus.

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OVERSEAS NEWS

Labour ministry official held in Recruit scandal

By Stefan Wagstyl in Tokyo

PUBLIC prosecutors swooped on the Japanese Labour Ministry yesterday evening... This was the first such raid on government offices in memory.

Fears of involvement hit shares in NTT

By Stefan Wagstyl

SHARES in Nippon Telegraph & Telephone, Japan's largest company, plunged yesterday as fears deepened over the extent of its involvement in the Recruit financial scandal.

Japan recognises Burmese regime

By Ian Rodger in Tokyo

THE Japanese Government has recognised the Saw Maung regime in Burma and will soon resume aid.

Market jitters push AS to three-month low

By Chris Sherwell in Sydney

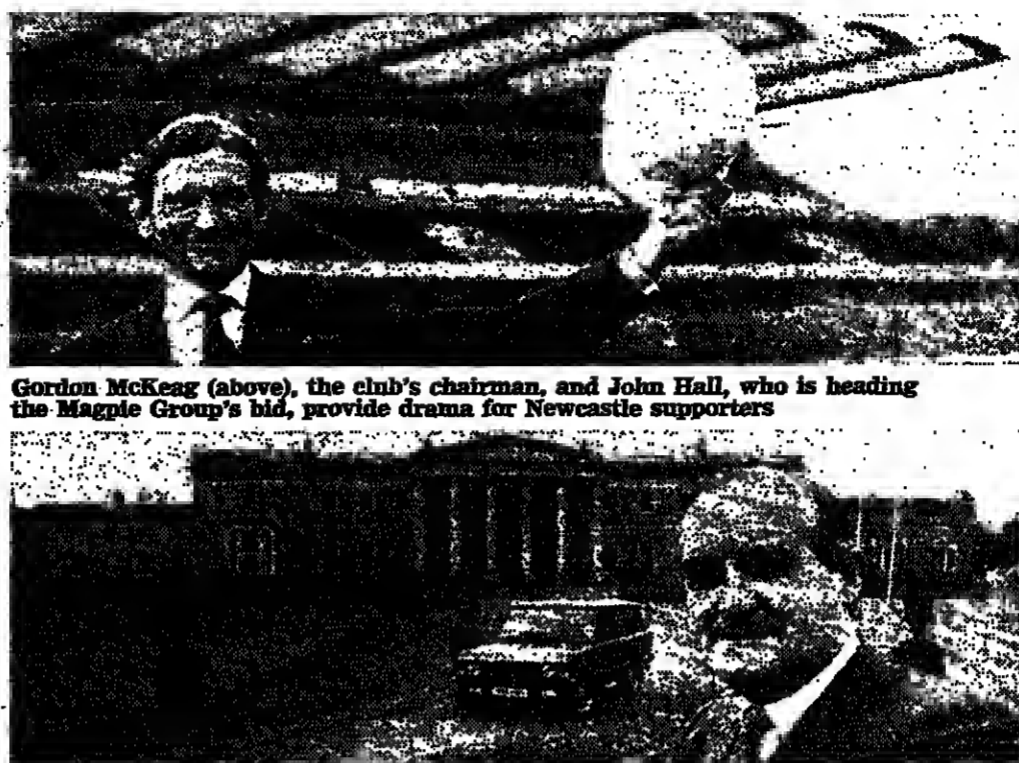
THE Australian dollar dropped sharply on Sydney foreign exchange for the third day running yesterday. It reached a three-month low.

UK NEWS

Contrasting styles kick for goal

Michael Smith reports on the takeover battle for Newcastle United

THE TARGET is a private company. Many of its shares are owned by half a dozen families. City of London financiers have paid little attention.



Gordon McKeag (above), the club's chairman, and John Hall, who is heading the Magpie Group's bid, provide drama for Newcastle supporters

Mr. Hall, one of Tyne-side's most successful businessmen, this week moved closer to their target when they bought a 4 per cent block of shares from Mr Ron Mackenzie.

It is hoped that the capital raised would enable the club to challenge for what Tyne-siders feel is their rightful place at the top of division one.

As for the consortium's proposals to turn the club into a seven-days-a-week centre, that is already under way.

Newcastle United is not listed on the Stock Exchange, so there is no obligation on either the board or the Magpie Group to declare how many shares they control.

Labour will seek merger policy review

By Philip Stephens, Political Editor

THE LABOUR Party is planning a fresh campaign for a tighter policy on mergers and intensified policing of the City when the Government's new companies bill comes before the House of Commons.

Privacy bill surfaces again in Commons

By John Mason

THE BACKBENCH bill to curb invasion of privacy by the press and broadcasters was mysteriously brought back to the Commons yesterday when it was given a second reading in the Commons.

Lawson warned by City economists

By Barry Riley

CITY ECONOMISTS, dubbed "teenage scribblers" by Mr Nigel Lawson, hit back at the Chancellor's offer to give away half the expected increase in the surplus.

Manx court warns Gasco over delays

By Sue Stuart

THE ISLE of Man Appeal Court yesterday gave Gasco Investments, owned by the fugitive financier Mr Jim Raper, seven more days which to pay £25,000 into court as security for costs.

Scottish mine to close after seam fault discovered

By Steven Butler

SCOTLAND is to lose one of its four remaining coal pits, with a loss of 400 jobs, after British Coal's decision to close the Barony Colliery, near Cumnock, Strathclyde.

Yesterday's announcement follows a series of pit closures in England and Wales, although the Barony closure appears not to be directly related to British Coal's broader efforts to phase out unprofitable pits.

University 'brain drain' is a myth, minister says

By David Thomas, Education Correspondent

THE "brain drain" of university academics fleeing Britain for more lucrative pastures is a myth, the Government claimed yesterday.

Society law change raises competition

By David Barchard

BUILDING SOCIETIES would be empowered to own companies that buy other companies' mortgage books, Mr Peter Lilley, Economic Secretary to the Treasury, said in a Commons written reply yesterday.

Receivers called in for pottery

By Sue Stuart

RECEIVERS have been appointed to run James Kent, a pottery company with cash flow difficulties.

UK NEWS

EMPLOYMENT

Annual fee plan for low-interest Visa card offer

By David Barchard

SAVE & PROSPER, which last year launched the first low-interest-rate Visa credit card, yesterday announced a new challenge to the larger credit card issuers. It is to offer customers a Visa credit card with an annual charge linked to an even lower rate of interest.

Save & Prosper estimates that there is a potential market of about 5m for the new card. Its existing card charges monthly interest of 1.725 per cent (22.7 APR).

Labour plans office for food standards

By Philip Stephens, Political Editor

THE LABOUR Party yesterday sought to intensify government embarrassment over recent food poisoning scares by outlining its own proposals for setting up an independent agency to restore public confidence in food hygiene.

Mr Robin Cook, Labour's health spokesman, and Mr David Clarke, the agriculture spokesman, said that a future Labour Government would radically restructure the Ministry of Agriculture.

Company car concern over the perk no one wants to give up

Kevin Done views one of the Chancellor's options

COMPANY car users have cause to be concerned. Last year, Mr Nigel Lawson, the Chancellor, doubled the assessed tax benefit of company cars.

While carrying out research for the Charterhouse Group, Mr James Morrell, the former director of the Henley Centre for Forecasting, concluded that there would have to be a five-fold rise in taxation on most company car users before the tax advantage was entirely lost.



Not surprisingly, the SMMT would appear to be justified in fearing the worst from the Budget, they could at least take some comfort from the fact that, even with a doubling of the assessed benefit, they are still considerably better off than the majority of company car drivers in the rest of Europe.

UK the production of the best-selling UK fleet car, the Ford Sierra, and concentrating all Sierra production in Genk, Belgium. Production of the Sierra will be phased out of Dagenham in the next 18 months.

Former Ulster politician seeks Fine Gael seat

By Our Belfast Correspondent

A FORMER leader of Northern Ireland's Alliance Party hopes to represent a Republic of Ireland constituency in the European Parliament.

Sports Council criticised for cash control flaws

By John Mason

SERIOUS weaknesses in the Sports Council's financial management have existed for several years, the National Audit Office said in a report published yesterday.

protracted negotiations that ended only in December 1987. It also paid the CCPR £80,000 to cover the costs of arbitrated proceedings and £72,000 to refurbish its offices.

Graduates in teacher training rise by 6%

By David Thomas, Education Correspondent

GRADUATES completing university teacher training courses jumped by almost 6 per cent last year, casting doubt on widespread claims of a recruitment crisis in the teaching profession.

Peace formula for fire officers curbs threat to airports

Jimmy Burns, Labour Staff

THE THREAT of Britain's airports being hit by severe disruption next month receded yesterday after union leaders representing fire officers agreed on a peace formula with the BAA, formerly British Airports Authority.

Peace formula for fire officers curbs threat to airports

Jimmy Burns, Labour Staff

Although the fire officers rejected an earlier offer, Mr Brett was confident that the latest deal would be endorsed as it involved a substantial amount of new money "on the table".

Employers back training initiative for ex-offenders

By Fiona Thompson, Labour Staff

TEN companies representing 500,000 employees across the country have backed an initiative to provide training and work experience for prisoners and ex-offenders.

change begin to bite, they say a sizeable proportion of the population is being overlooked as a potential source of labour.

Bleak picture in public sector points to need for an overhaul

Charles Leadbeater looks at pay review bodies

THE PUBLIC sector pay review body reports published on Thursday paint two pictures of work in the public sector.



Nurses on strike outside St Mary's Hospital, Paddington

One is of extensive low morale, high staff turnover, heavy workloads and intense recruitment and retention difficulties, as the public sector struggles to keep pace with rising inflation and the salaries and conditions on offer in the private sector.

Drinking laws make food for thought

Longer licensing hours have boosted pubs' meal sales, Lisa Wood discovers

EMMA and Linda, two young London nurses, were quietly enjoying a bottle of Beaulieu wine in the Leicester Arms, a traditional-looking pub near London's busy Oxford Street.

The Leicester Arms used to open between 12 noon and 3pm and 7pm to 10.30pm every day except Sundays. Now it opens between 11am and 11pm every day except Sundays.

to drinking in England and help to alleviate a problem which they point to Scotland, where the manic drinking used to take place when pub opening hours were severely restricted appears to have largely disappeared because of the longer opening hours.

period to establish long-term patterns in social behaviour. A number of increased costs have resulted, including increased wage bills.

the longer hours or take advantage of them only at weekends. City-centre pubs, where there is more demand from tourists, shift workers and those who have flexible lunchtimes, are more likely to offer all-day drinking.

Wage settlements in the private sector, which could push average annual earnings growth above 8.75 per cent, and widen the gap between public and private sector pay.

Beyond financial constraints on the public sector, two factors lie at the heart of the pay review bodies' apparent impotence.

Firstly, unlike much of the private sector, the bodies are forced to deal with pay in isolation from wider changes to industrial relations and employee benefits.

Our first line of defence

We've always been known for our expertise in radar.

But another defence system vital to everyone's health and safety is medical screening.


A head or body scan can pick up early signs of disease.

Which allows doctors and hospital teams to go immediately into action with an effective treatment.

Picker International, a GEC company, is one of the world's pioneers in diagnostic imaging and recently won the Queen's Award for Technological Achievement.

It also designed and manufactured the Picker SureView, an X-ray Mammography System for the NHS Breast Cancer Screening Programme.

This year, with GEC's backing, Picker will continue to help the medical profession improve standards of patient treatment throughout the world.



GEC

BRITAIN'S POWERHOUSE

UK COMPANY NEWS

Bad debt provision halts publication of PWS results

By Nick Bunker
PWS HOLDINGS, the troubled Lloyd's insurance broker formerly run by Mr Ronnie Ben-Zur, the Israeli businessman, has postponed indefinitely publication of its annual results amid fears that it might have to make a substantial provision against a bad debt.

Marina board in MBO challenge

By David Walker
THE EXECUTIVE directors at Marina Development Group are working on a management buyout proposal to challenge the 277.7m convertible-only bid from Local London Group, it emerged yesterday.

Backstage manoeuvres in a tightly-funded corner

Nikki Tait looks at recent developments at Bear Brand and links between the players

THE PANTOMIME season, drily remarked Mr Nick Oppenheim, chairman of the tiny Bear Brand company, "doesn't come for another 11 months."



acted for the Egyptian financier. So if there is relatively little scope for strain, what is his explanation for Dr Marwan's behaviour?

Consortium presses on with rival MB offer

By Maggie Orry
SHAREHOLDERS in MB Group, the former Metal Box, who will vote on Friday on the proposed merger of Metalbox Packaging with Carnaud, a French packaging group, will shortly receive a circular outlining another proposal for the packaging subsidiary's future.

and would give MB a 25.5 per cent stake in the merger plus £240m in cash.
MR rejected the consortium's proposal within hours when it was put forward on Tuesday.

its three "demerger" bids. The last of these, in late 1987, targeted Storehouse, Sir Terence Conran's troubled retail group.

Dr Marwan are more opaque. When Mr Earl founded his mini-merchant bank in 1985, it was with backing from Inncorp - of which Dr Marwan was then a non-executive director.

tiny engineering company called Benlox. Benlox was advised by Inncorp-Earl, had Mr Earl as a director, and Dr Marwan as a 25 per cent shareholder.

But before anyone jumps to conclusions, Mr Earl himself maintains that his relationship with Dr Marwan has always been overplayed. In particular, he stresses that he has never

approach at Owen & Robinson depended on a review of the company's business. It has not yet been determined whether big and Mr Dwek's roles would be executive or non-executive.

Ricardo brochure to be reviewed

Ricardo, the Sussex-based designer of engines and transmissions which is fighting a £21m bid from First Technology, yesterday acknowledged that its corporate brochure posted with the defence betting this week did not carry a "director's responsibility

statement". This is required under the Takeover Code. Ricardo's directors, at the Panel's request, say that they are now reviewing the brochure and will send out a further circular if there are any parts of it to which such statement cannot be attached.

Control Secs 'clarification' by Mountleigh

By Vanessa Houlder
Mountleigh, the property company which last week increased its stake in Control Securities to 22.7 per cent, has denied saying "there are no thoughts of launching a bid at the moment."

Brown Shipley sells credit side and warns of profit fall

By John Thornhill
BROWN SHIPLEY Holdings, the City financial services group, is to sell Medens Trust, its consumer credit company, for a total consideration of £18.6m, at a profit of about £5m.

Seaforth Investments takes 21% stake in Owen & Robinson

By Clay Harris
SEAFORTH INVESTMENTS, a company run by two former directors of Dwek Group, has bought a 21 per cent stake in Owen & Robinson, the Basildon-based jewellery retailer and pawnbroker.

Concert party takes control of Clogau Gold

By Claire Pearson
A CONCERT party led by United Trust & Credit, the financial services company, has taken control of Clogau Gold Mines, the USM-quoted Australian mining company with its origins in Wales.

Summer Intl gets offers for Linguarama

By Phillip Coggan
Summer International, the training and education group said yesterday it had received two offers to buy Linguarama, the language school group.

F&C Enterprise Tst

Net asset value per 10p share of the F & C Enterprise Trust improved from 38p to 38.5p over the year to end-December 1988. Total revenues for the year rose to £1.41m (88S.71S). A single final dividend of 0.14p (0.13p) is proposed.

Caught between Beauty and the Brummie

Philip Coggan on the choice to be made by Piccadilly Radio about its future partner

THE HOLIDAY Inn Crowne Plaza Midland Hotel in Manchester is not the first place one would expect to find Miss World. At least, not on a wet day in February.



Ashraf Marwan (left) and Peter Earl

its income from national advertisers by just 8.5 per cent in 1987/88 while Piccadilly's income from the same source rose by 22.1 per cent.

But on Monday morning, the company, rather than its pulchritudinous female incarnation, will be at the centre of a battle to block a merger between radio stations based in Manchester and Birmingham.

cake to rise. Radio currently around earns around 2 per cent of UK advertising revenue, compared with the 10 per cent achieved by US radio and 13 per cent in Canada.

Yesterday, another sales group, Broadcast Marketing Services responded saying that MSB's statement showed "considerable inexperience in commercial radio sales" and arguing that a North West radio group would increase total revenue rather than simply redistribute Piccadilly's income.

Keg losses hold back Alumasc

By Jean Marshall
CONTINUED losses from stainless steel kegs and aluminium radiators held back the profit rise at Alumasc Group, the Northamptonshire-based beer cask and keg manufacturer.

Shares in Summer, which bought Linguarama for £7m in May last year, rose 10p to 58p yesterday.

With strong demand for aluminium beer containers. In its other divisions, precision components began the year quietly, while negotiations were taking place with several major customers, but it ended the period strongly, the chairman said.

MARKET STATISTICS

ECONOMIC DIARY

TODAY: Italy's Christian Democratic Party congress in Rome (until February 22). Mr. Frana Andriessen, European Community commissioner for external relations, to meet Mr. Carlo Hillis, US trade representative, in Washington. TOMORROW: National savings monthly progress report (January). Second round of informal talks in Jakarta aimed at resolving the conflict in Kampuchea. Mr. Eduard Shevardnadze, Soviet Foreign Minister, to visit Amman. Labour Party local government conference in Southampton. MONDAY: CBI monthly trends enquiry (February). London and Scottish banks monthly statement (January). Provisional estimates of monetary aggregates (January). European Community general affairs council meets in Brussels (until February 21). Financial Times conference "Cable today". FRIDAY: Engineering, sales and orders at current and constant prices (December). Finished steel consumption and stock change (fourth quarter, provisional). Budgetary indicators for January (January). Cyclical indicators for the UK economy. Emperor Hirohito's funeral. Mr. George Bush, President of the US, will be among world leaders attending Panga Fall annual conference in Dublin (until February 26). LLOYD: Gross domestic product (output-based) fourth quarter preliminary. Manufacturers' and distributors' stocks (fourth quarter provisional). Mr. Yitzhak Shamir, Israeli Prime Minister, visits Paris to discuss Middle East peace prospects (until February 24). National Westminster Bank interim results. WEDNESDAY: Index of production and construction for Wales (third quarter). New construction orders (December). Consumer price index real earnings (January). Budget statement. Meetings of Labour Party national executive and TUC general council. THURSDAY: Energy Ireland (December). US durable goods (January). By-elections at Pontypridd and Richmond, Yorkshire. IC Leisure preliminary figures. Midland Bank gives preliminary results. Mr. Shevardnadze visits Baghdad (until February 25). Algerian referendum on political reform. FRIDAY: Engineering, sales and orders at current and constant prices (December). Finished steel consumption and stock change (fourth quarter, provisional). Budgetary indicators for January (January). Cyclical indicators for the UK economy. Emperor Hirohito's funeral. Mr. George Bush, President of the US, will be among world leaders attending Panga Fall annual conference in Dublin (until February 26). LLOYD: Gross domestic product.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, Bid, Ask, etc. for various European options.

BANK RETURN

Table showing bank return statistics for liabilities and assets, including deposits, reserves, and government securities.

DIVIDENDS ANNOUNCED

Table listing companies and their announced dividends, including dates and amounts.

LONDON RECENT ISSUES

Table listing recent issues in London, including company names, issue sizes, and dates.

FIXED INTEREST STOCKS

Table listing fixed interest stocks, including government bonds and corporate debentures.

RIGHTS OFFERS

Table listing rights offers for various companies, including terms and conditions.

TRADITIONAL OPTIONS

Text listing traditional options for various companies and their terms.

TEESSIDE

Text regarding the Teesside survey and contact information for the Financial Times.

FINANCIAL TIMES

Text providing contact information and subscription details for the Financial Times.

I.G. INDEX LTD.

Text providing contact information for I.G. Index Ltd. and their services.

BASE LENDING RATES

Table listing base lending rates for various banks and financial institutions.

FT-ACTUARIES SHARE INDICES

Text explaining that these indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Large table showing FT-Actuaries Share Indices for various equity groups and sub-sections, including high and low values.

FIXED INTEREST

Table showing fixed interest rates for various instruments, including government bonds and corporate debentures.

MERCURY OFFSHORE STERLING TRUST (SICAV) advertisement, including details about dividends and company information.

GRANVILLE SPONSORED SECURITIES advertisement, listing various securities and their prices.

Kwik-Fit advertisement featuring a large image of a tire and text promoting 100% customer satisfaction.

INTERNATIONAL COMPANIES AND FINANCE

NMB unveils details of merger and sell-off plan

By Laura Raun in Amsterdam

NMB BANK, the Netherlands' fourth largest bank, and Postbank, the Dutch state-owned bank, yesterday officially unveiled plans to merge and partially privatise the Government's stake.

Finnish paper groups to combine

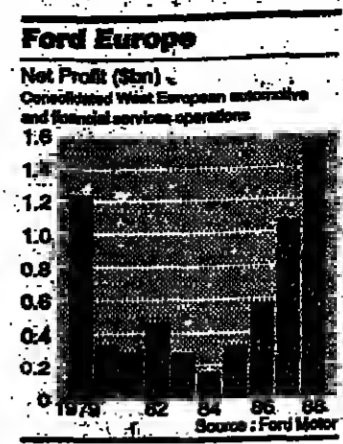
By Olli Virtanen in Helsinki

UNITED PAPER MILLS (UPM), the Finnish forest products company and Kajaani, another Finnish paper producer, yesterday unveiled merger plans aimed at creating a larger group better able to compete in international markets.

Ford races to European record

By Kevin Done, Motor Industry Correspondent

FORD OF THE US, the world's second largest automotive group, increased the net profits of its West European automotive and financial services operations by 44.9 per cent last year to a record \$1.56bn from \$1.08bn in 1987.



Net Profit (Million \$) Consolidated West European automotive and financial services operations

claiming some 8 per cent of the total market. The Sierra is coming under increasing pressure, however, in the face of new model launches by its major rivals in the last 18 months including the Peugeot 405, the Volkswagen Passat and most recently the Opel Vectra/Vauxhall Cavalier.

Noranda registers 30% gain

By Robert Gibbens in Montreal

NORANDA FOREST, the pulp and paper arm of the big Noranda resource group, had a 30 per cent gain in 1988 earnings despite the higher Canadian dollar and declining wood products prices.

Mannesmann steel tube side back in the black

By David Goodhart in Bonn

MANNESMANN, the West German diversified engineering group, said yesterday that profits in 1988 had risen 'significantly' and sales were up 22 per cent at DM20.4bn (\$11bn).

Roche finalises unit's buy-out

By David Waller

HOFFMANN-LA ROCHE, the Swiss chemicals and pharmaceutical producer, has completed the sale of its medical instruments division to its management.

VW boosts profits and sales

By Andrew Fisher in Frankfurt

TURNOVER OF Volkswagen, the West German motor group, rose 9 per cent last year to DM50bn (\$32bn) and group profits showed a marked increase, the company said yesterday.

Montedison extends offer for Ausimont

By Alan Friedman in Milan

ITALY'S Montedison group yesterday extended by eight hours its controversial offer to buy out minority shareholders in Ausimont, the group's Wall Street-listed specialty chemicals subsidiary.

Hoesch expands in Italy

By David Marsh in Bonn

HOESCH, the West German steel company, has expanded its international operations through acquisitions in Italy and the US in the engineering and software fields.

Atlas Copco to raise payout

By Robert Taylor in Stockholm

ATLAS COPCO, the Swedish mining, construction and industrial equipment manufacturer, yesterday reported a 46 per cent boost in its net profits.

Table with columns: Latest prices, Change on week, Year, High 1988/89, Low 1988/89. Rows include Gold per troy oz, Silver per troy oz, Aluminium 99.7% (cash), Copper Grade A (cash), Lead (cash), Nickel (cash), Zinc (cash), Tin (cash), Cocco Futures (May), Sugar (LDP Raw), Barley Futures (May), Wheat Futures (May), Cotton Output A Index, Wool (S45 Super), Rubber (S50), Oil (Brent Blend).

Table with columns: Latest prices, Change on week, Year, High 1988/89, Low 1988/89. Rows include Gold per troy oz, Silver per troy oz, Platinum (per troy oz), Palladium (per troy oz), Aluminium (per mark), Copper (US Producer), Lead (US Producer), Nickel (free market), Tin (European free market), Tin (Kuala Lumpur market), Tin (New York), Zinc (US Prime Western), Cattle (live weight), Sheep (head weight), Pigs (live weight), London daily sugar (raw), London daily sugar (white), Talc and Lytle export price, Barley (English lead), Maize (US No. 3 yellow), Wheat (US Dark Northern), Rubber (RSS), Rubber (SMR), Rubber (RSS No. 1 Mar), Cocoa (Philippines), Palm Oil (Malaysia), Copra (Philippines), Soybeans (US), Cotton 'A' index, Wooltops (S45 Super).

Table with columns: Close, Previous, High/Low. Rows include LONDON METAL EXCHANGE (Aluminium, Cash, Copper, Silver), SOYABEAN MEAL (Cash, 3 months), POTATOES (Cash, 3 months), SOYABEAN MEAL (Cash, 3 months), FRESH POTATOES (Cash, 3 months), SUGAR (Cash, 3 months), RUBBER (Cash, 3 months), GRAINS (Cash, 3 months), BARILEY (Cash, 3 months), WHEAT (Cash, 3 months).

Table with columns: Close, Previous, High/Low. Rows include LONDON BILLION MARKET (Gold, Silver, Platinum, Palladium), CRUDE OIL (Cash, 3 months), GAS OIL (Cash, 3 months), SOYABEAN MEAL (Cash, 3 months), FRESH POTATOES (Cash, 3 months), SUGAR (Cash, 3 months), RUBBER (Cash, 3 months), GRAINS (Cash, 3 months), BARILEY (Cash, 3 months), WHEAT (Cash, 3 months).

Table with columns: Close, Previous, High/Low. Rows include CRUDE OIL (Cash, 3 months), GAS OIL (Cash, 3 months), SOYABEAN MEAL (Cash, 3 months), FRESH POTATOES (Cash, 3 months), SUGAR (Cash, 3 months), RUBBER (Cash, 3 months), GRAINS (Cash, 3 months), BARILEY (Cash, 3 months), WHEAT (Cash, 3 months).

Table with columns: Close, Previous, High/Low. Rows include SOYABEAN 5,000 bu, SOYABEAN 100, SOYABEAN 500, SOYABEAN 1000, SOYABEAN 1500, SOYABEAN 2000, SOYABEAN 2500, SOYABEAN 3000, SOYABEAN 3500, SOYABEAN 4000, SOYABEAN 4500, SOYABEAN 5000.

Table with columns: Close, Previous, High/Low. Rows include SOYABEAN 5,000 bu, SOYABEAN 100, SOYABEAN 500, SOYABEAN 1000, SOYABEAN 1500, SOYABEAN 2000, SOYABEAN 2500, SOYABEAN 3000, SOYABEAN 3500, SOYABEAN 4000, SOYABEAN 4500, SOYABEAN 5000.

INTL COMPANIES

Zurich Insurance to pay \$740m for US non-life group

By John Wicks in Zurich

ZURICH INSURANCE is to pay \$740m for Maryland Casualty Group, the Baltimore-based non-life and third-party insurer...

Two Danish banks plan DKr1.2bn rights issues

By Hilary Barnes in Copenhagen

TWO DANISH banks are planning to raise up to \$1.2bn in new shares...

Portuguese brewer to be partly privatised

By Diana Smith in Lisbon

UNICER, Portugal's large state-owned brewery, will start selling 3.8m shares, or 49 per cent of its capital...

Minister ready to name Brierley BNZ successor

By Dai Hayward in Wellington

THE NEW chairman of the Bank of New Zealand will be Sir John Brierley, who resigned on Thursday...

FOREIGN EXCHANGES

Trade figures fail to impress

A SMALL contraction in the US December trade deficit failed to provide any fresh upward impetus for the US dollar yesterday...

day as investors turned to test the dollar's downward potential. The US unit moved ahead briefly as December trade figures dipped slightly...

C IN NEW YORK

Table with columns: Feb 17, Last, Pre-close. Rows include Dow Jones, S&P 500, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Feb 17, Day's Spot, Close, One month, % p.a., Three months, % p.a.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Feb 17, Day's Spot, Close, One month, % p.a., Three months, % p.a.

EURO CURRENCY UNIT RATES

Table with columns: Unit, Current rate, % change, % change, % change.

EURO CURRENCY INTEREST RATES

Table with columns: Country, Term, Rate, % p.a.

EXCHANGE RATES

Table with columns: Country, Unit, Rate, % p.a.

FORWARD RATES AGAINST STERLING

Table with columns: Country, Term, Rate, % p.a.

OTHER CURRENCIES

Table with columns: Country, Unit, Rate, % p.a.

FT LONDON INTERBANK FIXING

Table with columns: Rate, % p.a.

MONEY RATES

Table with columns: Term, Rate, % p.a.

LONDON MONEY RATES

Table with columns: Term, Rate, % p.a.

CURRENCIES, MONEY AND CAPITAL MARKETS

LIFFE LANG GILY FUTURES OPTIONS

Table with columns: Strike, Call, Put, etc.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call, Put, etc.

LIFFE FT-SE INDEX FUTURES OPTIONS

Table with columns: Strike, Call, Put, etc.

LIFFE 5% GILT

Table with columns: Strike, Call, Put, etc.

LIFFE EUROSTAMP 100%

Table with columns: Strike, Call, Put, etc.

LIFFE SHORT STERLING

Table with columns: Strike, Call, Put, etc.

PARIS BOURSE 1% OF 5% GILT

Table with columns: Strike, Call, Put, etc.

LIFFE 5% GILT

Table with columns: Strike, Call, Put, etc.

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Table with columns: Strike, Call, Put, etc.

FT GUIDE TO WORLD CURRENCIES Every Tuesday in the FT

LONDON TRADED OPTIONS

Large table listing various options contracts, including calls and puts for different currencies and indices.

WORLD STOCK MARKETS

NEW YORK (3 pm)

Table of New York stock market data including various stock prices and indices for February 17, 1989.

February 17 US\$ + or -

Table of US stock market data for February 17, 1989, listing various companies and their price changes.

February 17 US\$ + or -

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NEW YORK

Table of New York stock market indices and active stocks for February 17, 1989.

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Table of New York stock market indices and active stocks for February 17, 1989.

Base values of all indices are 100 except NYSE All-Company - 50, Standard and Poor's - 10, and Toronto Composite and Metals - 1000. Toronto index based 1975 and Montreal Portfolio 4/1/73. Excluding 3000s. Industrial, plus Utilities, Financial and Transportation. (D) Unavailable.

WORLD STOCK MARKETS

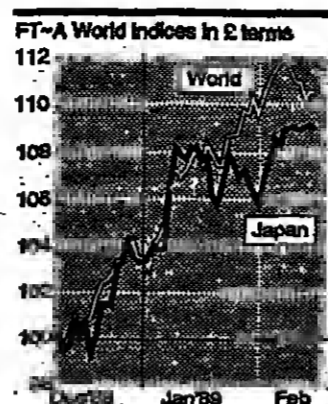
Shamefaced westerners embrace modern world and return to Tokyo

THE FIRST few weeks of 1989 have seen the western investment managers finally admit defeat and return in force to the Tokyo stock market with their heads bowed in shame.

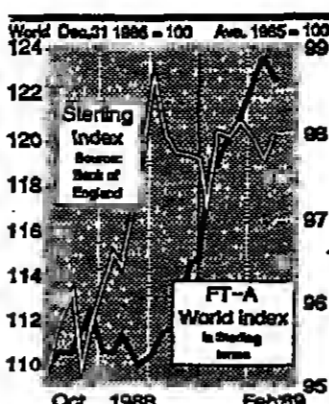
The fact that most of them sold their shares when the Nikkei average was standing at between 15,900 and 20,000 and are now having to buy back at 32,000 will not go unnoticed by their ever more demanding investment clients.

Investment managers are casting off the old theories and flooding back, writes Clive Wolman

With their unbalanced portfolios, foreign investors have missed out on several price booms in the yen, the stock market as a whole, and in several individual sectors, such as the banks. The result has been consistent under-performance in each of the past five years.



FT-A World Indices in £ trns. World Dec 31 1988 = 100. Jan 31 1989 = 102.95. Feb 9 1989 = 111.95.



FT-A World Index in Sterling from Dec 31 1988 to Feb 9 1989. The index shows a steady increase from 100 to approximately 112.

In any event, foreigners did not hang around this year. Most of their buying seems to have been completed by the first week in February.

Even better, the funds appear to have been targeted at domestic-oriented sectors, which foreigners have often overlooked, and to have been invested before the latest surge in prices in those sectors.

The cause has been the unravelling of ever more ambitious plans for both public sector infrastructural investment and private sector redevelopment. Imaginations were fired by the recent issue of a populist science magazine, called Newton, which carried an article full of speculative drawings showing Japan in the early 21st century with a new generation of bullet trains, massive underground and waterfront construction in Tokyo and widespread regional developments.

Over the past few weeks, the buying enthusiasm has spilled over into related sectors, such as property, building materials, non-ferrous metals and even the steel companies. Some of the railway companies with mainstream operations that have rarely been more than marginally profitable are now

rated at several hundred times their earnings. The reason is the redevelopment potential of their property holdings, in particular their conversion into amusement parks and other leisure facilities.

The only shares relatively untouched by the current boom, which are still on earnings multiples not bafflingly out of line with those in the West, are the export-oriented sectors with familiar brand names, such as Toyota and Honda.

And now the last enclave of scepticism among the gaffers has been flushed out, maybe it really is time to sell.

AMERICA

Deficit news encourages Dow rise

A CALM response from the bond and currency markets to the eagerly-awaited publication of US trade figures sent prices higher on Wall Street, writes Anabelle Kalesky in New York.

The market opened slightly higher after the announcement of an \$11.6bn deficit in US merchandise trade in December and it added steadily to its gains throughout the morning.

Immediately after the trade figure but then fell back to 128.85 and DML6365, marginally below its overnight level.

Strong results on Thursday, was another of the day's better performers, with a gain of 4% to 64.4.

EUROPE

Wait for US data dampens trade

THE US trade figures kept investors waiting nervously yesterday and bourses ended mostly lower under the shadow of interest rates, writes Our Markets Staff.

PARIS appeared to have run out of steam at the end of a week when share prices fell by more than 4 per cent.

AMSTERDAM closed a lacklustre day slightly higher, unimpressed by the US figures and corporate developments.

STOCKHOLM was led higher again by interest in Volvo and the Finnish all-share index rose 0.2 to a record 828.6.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for Regional and National Markets, US Dollar Index, Day's Change %, POUND Sterling Index, Local Currency Index, Gross Div. Yield, US Dollar Index, POUND Sterling Index, Local Currency Index, 1988/89 High, 1988/89 Low, Year ago (approx).

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.62 (US \$ index), 114.42 (Pound Sterling) and 123.18 (Local).

ASIA PACIFIC

Nikkei gains as rate worries abate

TOKYO The Bundeshank's decision helped to quell fears of rising overseas interest rates and the Nikkei average began the day on a strong note, rising 186.33 in the first hour of trading.

After gains in resources stocks helped stabilise the market. Turnover was moderate at 83m shares worth A\$221m, with market leaders dominating trading.

Large capital steels and ship-buildings were popular after newspaper reports that leading brokers would increase their buying in a battle for market share before the end of the business year in March.

The shipbuilding sector gained 5 per cent yesterday, Mitsubishi Heavy Industries, third in volume terms with 94.5m shares, added Y40 to Y1,200.

OSAKA The OSE average fell 47.06 to 30,330.47. SINGAPORE managed to keep its head just above water in spite of profit-taking, with the Straits Times Industrial Index edging up 0.10 point to 1,129.53.

THUMB THROUGH 50,000 PAGES OF THE FINANCIAL TIMES IN 3.9 SECONDS. PROFILE Information enables you, in just a few seconds, to search through over 3 years' back numbers of the Financial Times including the special reports and industry surveys.

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LONDON STOCK EXCHANGE

Equities rebound after economic data

RELIEF THAT economic data from both sides of the Atlantic brought no unpleasant surprises provided the basis for a substantial rebound in the London stock market late yesterday. With Wall Street opening firm after the deficit announcement, London responded vigorously at the close to a small trading programme in UK blue-chips by a major US securities house.

Account Dealing Dates table with columns for New Dealings, Open Dealings, and Account Dates for various months.

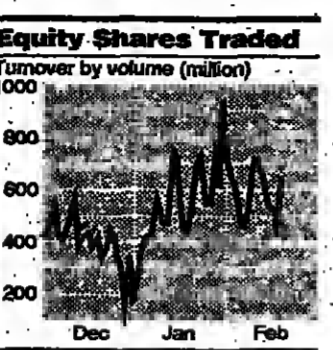
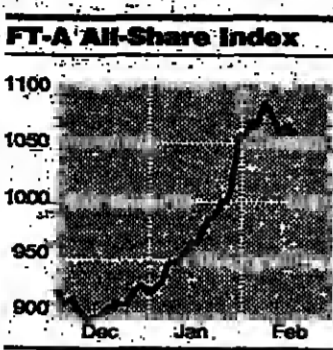
Share prices made little recovery until the US trade deficit was revealed as \$11.89bn, in line with most expectations, and London sensed a favourable response on Wall Street. Nevertheless, the strength of the late opening in the London market caught traders by surprise. The US trading programme, although only around £15m in size, was transacted on the IDB (Inter Dealer Broker) screens and encouraged active, if somewhat selective, excitement in major stocks.

extraordinary, with Seag volume at 461.5m shares against Thursday's 644.1m. "It was Friday afternoon and there was not a great deal going on," admitted one trader. Much of the interest appeared to overflow from the traded Options market where a range of leading stocks was active.

Optimism for next week focussed around prospects for ICI's results, due on Thursday. The market expects ICI to increase the dividend, which could bring strong institutional demand for ICI stock. BZW, the London securities house, predicts a total payout of 46p for the year, an increase of 12 per cent.

Edelman again in market

Storehouse shares, the scene of Thursday's major action in the stock market, remained in the spotlight yesterday with changing hands amid growing speculation that Mr Asher Edelman, the US arbitrator, had been back in the market to increase his stake in the troubled UK stores group.



trading statement, reversed an early fall to close a net-7 early at 1204p. Beecham, inspired both by reports of a ICI presentation to journalists and also by revived hints that Ciba-Geigy of Switzerland could be interested in bidding, added to 324p.

personal holding to GEC's Lord Weinstock. GEC could pay 220p for Amstrad shares without diluting its earnings. The greed factor was balancing out the fundamentals, said the analyst.

Wimpey whimper

George Wimpey was a "major disappointment" dealers said, after a newspaper revelation that FAI Insurance, the Australian insurance group run by Mr Rodney Adler, son of FAI's founder Mr Larry Adler, holds a 3 per cent stake in the UK construction group.

raising the stake by as much as 1 per cent. There were also suggestions in the market that Wimpey could well be stalking the Evered group, whose shares closed 9 1/2 higher at 131 1/2p.

everyone knows that possible counter-bidders for the company could include Woolworth, or Ladbroke - the latter is my favourite," said one trader.

US interest also appeared for Reuters "B" shares, finally a couple of pence better at 64 1/2p with the market still looking for an early restructuring of the bank format.

British Telecom fell 4 1/2 in early trading on further consideration of Wednesday's unexciting third-quarter figures but improved late to end 2 lower on balance at 275p.

Magnet draw

Magnet, the Kedgeley, West Yorkshire-based retailer of kitchenware and bedroom furniture, currently involved in talks with a view to a possible management buy-out, saw its shares make further progress and close 3 1/2 higher at 367 1/2p, only fractionally below the year's high of 289p on market turnover of 1.7m shares.

Gold Fields wait

Market attention focussed on Consolidated Gold Fields again as the EC Commission in Brussels cleared Minorco's previous approach and Minorco said it would not seek an extension from the UK Monopolies Commission of next week's deadline for any new bid.

The banks sector came under pressure during initial dealings, upset by talk of Venezuela debt worries, but subsequently bounced as small buyers moved back into the market.

Unitec staged a strong recovery late in the day with talk of further stake-building by Mr Larry Goodman boosting the shares to a closing level of 383p, a net gain of 6 after turnover of 1.4m.

NEW HIGHS AND LOWS FOR 1988/89

Table listing new highs and lows for various companies like Anglo American, Anglo Irish, Anglo Saxon, etc.

RISES AND FALLS

Table showing rises and falls for various categories like British Funds, Corps. Don. & Foreign Bonds, etc.

LEADERS AND LAGGARDS

Table showing percentage changes since December 30 1988 for various sectors like Shipping & Transport, Agencies, etc.

BENCHMARK GOVERNMENT BONDS

Table showing benchmark government bonds for UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, and Australia.

COMMODITIES

WEEK IN THE MARKETS Peru fears galvanise zinc market

ZINC CONTINUED to shine in a generally lack-lustre metals market this week. On the London Metal Exchange new record levels were reached on four of the five trading days and the cash high grade quotation ended the week \$22.50 up at \$1,267.50 a tonne.

advances in stocks this year. A run of six rises has lifted LME warehouse stocks to 86,775 tonnes, up 21,800, from early January. Last week's stocks rise - of 7,225 tonnes - prompted a 594 fall for cash grade A metal on Monday. Subsequent falls were more than compensated by Thursday's rise on rumours that production problems might result in force majeure being declared on shipments from Zaire, but the price still ended 51 down on the week at \$1,651.50 a tonne - more than 2250 below the record level reached in December.

the market following the collapse helped to lift iron prices on the Kuala Lumpur exchange to a three year high this week. And the European free market price rose \$72.50 to \$4,507.50 a tonne. The main feature among London's soft commodity markets this week was coffee's slide, ahead of next week's meeting of the International Coffee Organisation in London. Time is beginning to run short for the drafting of a new International Coffee Agreement to take over from the current one when it expires in September, but producers and consumers remain far apart and the chances of the deadlock being broken at the coming meeting are not rated highly.

world prices the opening of next week's talks is set to coincide with a reduction of 1m bags (60 kg each) in the global 1988/89 export quota of 58m bags. The cut will be triggered by confirmation that the 15-day average of the International Coffee Organisation's daily composite indicator price fell below the 120 cents a lb trigger level yesterday. A sharp fall on Thursday left the rolling average at only 120.6 cents a lb and the daily price at 115.15 cents. That meant avoidance of the quota cut required a rise yesterday of about 5 cents a lb, equivalent to about 275 a tonne. The market did not put on a spurt - aided by growing concern about the tightness of African supplies - but fell some way short of the required level. In London the May robusta futures price rose 21 to \$1,117 a tonne, but in New York nearby arabica prices were less than a cent higher. With prices for the more sought after arabicas (the mild coffee grown mostly in Latin America) holding well above the ICO "floor" of 130 cents a lb, the quota cut will be applied to producers of the coarser robusta type (grown mostly in Africa).

Richard Mooney

FINANCIAL TIMES STOCK INDICES

Table showing financial times stock indices for Feb 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, and Year Ago, with columns for High, Low, and Since Completion.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume in major stocks for various companies like Anglo American, Anglo Irish, Anglo Saxon, etc.

APPOINTMENTS

Mr H.J. Foulds has been elected a non-executive director of MERCURY ASSET MANAGEMENT GROUP. He is deputy chairman of St Group, and chairman of Brammer. BRITISH & COMMONWEALTH HOLDINGS has appointed Sir Alex Fletcher to advise on strategy in Europe. He is managing director of Fletcher Scott. NEWS INTERNATIONAL has appointed Mr Michael Rada as group marketing director, and Mrs Bruce Hundertmark to the board. Miss Eleanor Rogers becomes company secretary. Mr Michael Gover has been appointed pensions sales manager of THE LIFE ASSOCIATION OF SCOTLAND from March 1. Mr A.A. Robinson has been appointed a non-executive director of PECKHAM BUILDING SOCIETY. Until his retirement last December he was managing director of the Daily Mail. Mr Clive Grumball has been appointed general manager, treasury, at YAMAICHI BANK (U.K.), subsidiary of Yamachi Securities Co., Tokyo. He was with British and Commonwealth Bank. Mr Peter Wardle has been appointed non-executive chairman of UNITED KITCHENS, Taunton. Mr Nicholas Stephens, divisional chairman of the property and construction division, has been appointed a director of LEADING LEISURE.

Deputy chairman at Thomas Cook

Mr H. Eugene Lockhart has been appointed deputy chairman of the THOMAS COOK GROUP from May 1. He is chief executive of Midland Group Operations, and a director of Midland Group, the parent company. HUNTING PETROLEUM SERVICES has appointed Mr R.B. Hunting as a director. Mr Melvin Goodship has joined the board of ALBA. He is managing director of Bush Radio, acquired by Alba last June. Mr Andrew Hayden has joined SECURITY PACIFIC EUROFINANCE (UK) as an assistant vice president in the acquisition finance division. He was with St.

Senior posts at Bulmer

H.P. BULMER HOLDINGS has made the following changes: Mr Drummond Hall moves from managing director, soft drinks, to become managing director, cider and beer; Mr Bob Harrington has been appointed the company's first trading director, he was managing director, cider and beer; Mr Ian Richardson, group company secretary, becomes director of management and personnel services.

INTERMEDIATE CAPITAL GROUP

INTERMEDIATE CAPITAL GROUP has appointed Mr Norman C. Ireland as non-executive chairman; Mr Tom Barham, Mr Jean-Loup de Gersigny, Mr Andrew D. Jackson and Mr James E.B. Odgers as executive directors; Mr Andrew C. Phillips and Mr Paul J. Piper as associate directors; and Mr John R. Curds as financial controller. KENTISH PROPERTY GROUP has appointed Mr John Lowe as managing director of subsidiary Kentish Residential; Mr John Herren, formerly with Midland Montagu, has joined Kentish Commercial as development manager; and Mr Paul Cookson becomes managing director of Kentish Properties company secretary.

Technical Data/ATLAS Price Sources

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2123

AUTHORISED UNIT TRUSTS

Main table containing unit trust information with columns for Unit Name, Price, and other details. Includes sub-sections like 'GUIDE TO UNIT TRUST PRICING' and 'DETAILS CHANGES'.

GUIDE TO UNIT TRUST PRICING
DETAILS CHANGES
These represent the methodology, abbreviations and other codes which have to be paid by new subscribers. This information is included in the price when the customer buys the service.

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Unit Trusts

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-625-2128

Main table containing unit trust information with columns for Name, Price, and various performance metrics. Includes sub-sections for 'MANAGEMENT SERVICES', 'OFFSHORE AND OVERSEAS', 'GUERNEY AUTHORISED', 'JERSEY AUTHORISED', 'LUXEMBOURG AUTH'D', 'BERMUDA AUTHORISED', and 'OTHER OFFSHORE FUNDS'.

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Handwritten note: "No, no, no!"

Main table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, NAV, and other financial metrics.

BRITISH FUNDS - Contd table, listing British funds with columns for Name, Stock, Price, and other metrics.

AMERICANS table, listing American funds with columns for Name, Stock, Price, and other metrics.

Money Market Trust Funds

Money Market Bank Accounts

UNIT TRUST NOTES: Detailed text explaining unit trusts, their risks, and how they are managed.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-625-2126

CANADIANS

Table of Canadian share prices including companies like Alcan, Inco, and various banks.

BANKS, HP & LEASING

Table of share prices for banks and hire purchase/leasing companies.

Hire Purchase, Leasing, etc.

Table of share prices for hire purchase and leasing companies.

BEERS, WINES & SPIRITS

Table of share prices for beer, wine, and spirit companies.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and roads companies.

CHEMICALS, PLASTICS

Table of share prices for chemical and plastic companies.

DRAPERY AND STORES

Table of share prices for drapery and stores companies.

BUILDING, TIMBER, ROADS

Table of share prices for building, timber, and roads companies.

ELECTRICALS

Table of share prices for electrical companies.

ENGINEERING - Contd.

Table of share prices for engineering companies.

ENGINEERING

Table of share prices for engineering companies.

ENGINEERING - Contd.

Table of share prices for engineering companies.

FOOD, GROCERIES, ETC

Table of share prices for food, grocery, and other companies.

HOTELS AND CATERERS

Table of share prices for hotels and caterers companies.

INDUSTRIALS (Misc.) - Contd.

Table of share prices for industrial companies.

INDUSTRIALS (Misc.) - Contd.

Table of share prices for industrial companies.

INDUSTRIALS (Misc.)

Table of share prices for industrial companies.

INDUSTRIALS (Misc.) - Contd.

Table of share prices for industrial companies.

INSURANCES

Table of share prices for insurance companies.

LEISURE

Table of share prices for leisure companies.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

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LEISURE - Contd

Table of share prices for Leisure sector including companies like Leisure Group, Leisure Leisure, etc.

PROPERTY

Table of share prices for Property sector including companies like Property Group, etc.

TEXTILES - Contd

Table of share prices for Textiles sector including companies like Textiles Group, etc.

TRUSTS, FINANCE, LAND - Contd

Table of share prices for Trusts, Finance, and Land sector including companies like Finance Group, etc.

OIL AND GAS - Contd

Table of share prices for Oil and Gas sector including companies like Oil Group, etc.

MINES - Contd

Table of share prices for Mines sector including companies like Mines Group, etc.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors and Aircraft Trades sector including companies like Motors Group, etc.

TOBACCO

Table of share prices for Tobacco sector including companies like Tobacco Group, etc.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land sector including companies like Finance Group, etc.

OVERSEAS TRADERS

Table of share prices for Overseas Traders sector including companies like Overseas Group, etc.

PLANTATIONS

Table of share prices for Plantations sector including companies like Plantations Group, etc.

THIRD MARKET

Table of share prices for Third Market sector including companies like Third Market Group, etc.

COMMERCIAL VEHICLES

Table of share prices for Commercial Vehicles sector including companies like Commercial Group, etc.

COMPONENTS

Table of share prices for Components sector including companies like Components Group, etc.

GARAGES AND DISTRIBUTORS

Table of share prices for Garages and Distributors sector including companies like Garages Group, etc.

FINANCE, LAND, ETC

Table of share prices for Finance, Land, etc. sector including companies like Finance Group, etc.

MINES

Table of share prices for Mines sector including companies like Mines Group, etc.

NOTES

Stock exchange dealing classifications are indicated to the right of security names: Alpha, Beta, Gamma, Delta, Epsilon, etc.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers and Publishers sector including companies like Newspapers Group, etc.

SHIPPING

Table of share prices for Shipping sector including companies like Shipping Group, etc.

SHOES AND LEATHER

Table of share prices for Shoes and Leather sector including companies like Shoes Group, etc.

SOUTH AFRICANS

Table of share prices for South Africans sector including companies like South Africans Group, etc.

TEXTILES

Table of share prices for Textiles sector including companies like Textiles Group, etc.

DIAMOND AND PLATINUM

Table of share prices for Diamond and Platinum sector including companies like Diamond Group, etc.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, Advertising sector including companies like Paper Group, etc.

FINANCE

Table of share prices for Finance sector including companies like Finance Group, etc.

OIL AND GAS

Table of share prices for Oil and Gas sector including companies like Oil Group, etc.

AUSTRALIANS

Table of share prices for Australians sector including companies like Australians Group, etc.

REGIONAL & IRISH STOCKS

Table of share prices for Regional and Irish Stocks sector including companies like Regional Group, etc.

TRADITIONAL OPTIONS

Table of share prices for Traditional Options sector including companies like Options Group, etc.

This service is available to every company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £985 per annum for each security.

For Financial Information EXTEL Financial All you ever need to know LONDON BRUSSELS NEW YORK 01-251 3333 02-219 1607 (212) 513 1570

FINANCIAL TIMES

Weekend February 18/February 19 1989



Gold falls to lowest price in 2 1/2 years

By Kenneth Gooding, Mining Correspondent

A RUSH of overnight selling by Australian producers helped push the price of gold to its lowest level for two and a half years yesterday.

Gold bullion fell to \$378.15 a troy ounce in early trading in London... The market is having to absorb a great deal of bullion from the gold miners themselves...

Some analysts have suggested that gold is only about halfway through a steady decline which will take it down to \$325, or possibly to \$300, an ounce towards the end of this year.

Traders say investors in Europe and North America are ignoring the metal because of the revival in share prices and high interest rates.

The market is having to absorb a great deal of bullion from the gold miners themselves, often in the form of gold loans which involve producers borrowing the metal...

Yesterday, Australian producers sold large quantities of gold from their stocks to cash in on a sudden fall in the value of the Australian dollar...

There was also some selling from the Far East, which helped trigger a sharp price fall in early trading in European centres.

One Zurich dealer said he expected the gold price to move back to about \$382 an ounce. "But there is no reason for euphoria," he said.

Hope over pension fund shortfall

By Nick Garnett

INDIVIDUALS involved in transactions that led to the shortfall in pension funds at Aveling Barford, the construction machinery company...

Mr Roger Powdrill, a partner at chartered accountants Spicer & Oppenheim and chairman of the new trustees...

Mr Gordon Borrie, Director General of Fair Trading, has publicly taken to task the head of one of the UK's largest life insurers...

Borrie criticises life insurers

By Nick Bunker

Mr Gordon Borrie, Director General of Fair Trading, has publicly taken to task the head of one of the UK's largest life insurers...

The industry has been anxious for clues to Sir Gordon's thinking on how much life insurers should disclose about their marketing costs...

UK oil output forecast up 10%

By Steven Butler

THE Government has lifted forecasts for Britain's oil production by roughly 10 per cent over the next five years...

Mr Cecil Parkinson, the Energy Secretary, said yesterday in response to a Commons question that annual production of liquid hydrocarbons...

pension plans is expected to be called in the third week of April. Pensions are still being paid. Mr Powdrill said the trustees were now hopeful that part or all of the shortfall, believed to be about £5m, would be recovered.

As part of the inquiries, the police have been in contact with Mr K.T. Lee, the principal owner of the company when it went into receivership.

Aveling Barford, based at Grantham, Lincs, was bought from BL in 1983 by Mr Lee, with a minority interest held

by Mr Adrian Eschallier, who was then a Philadelphia-based lawyer. This company, the biggest construction machinery maker in Britain in the early 1980s...

He is believed to have been in the UK within the past few weeks. One of the advisers to the new trustees said it would be "useful" to see Mr Eschallier although he did not put it any higher than that.

Whatever the mood there has gone out of the pension funds has not simply been removed. The adviser said it was more com-

US trade deficit narrows

By Anthony Harris in Washington

THE US merchandise trade deficit narrowed to a seasonally adjusted \$11.9bn (\$8.7bn) in December from a revised \$12.2bn in November...

The figures suggest that the marked trade improvement during 1988, when the deficit was reduced from \$17.0bn to \$18.7bn from \$15.2bn to \$12.8bn on a balance of payments basis...

Bar

Continued from Page 1

societies to do conveyancing anti-competitively at cost, would destroy the basis of many solicitors firms.

The Bar's counter-proposals include: Improved access to justice by barristers having a professional duty to act in legal aid cases...

That would result from advocates' need for increased court experience to improve their certificate qualifications, from pressure to keep in-house advocacy departments at work...

They would also be anti-competitive: a charter for the largest firms of solicitors to grow much larger, and for the big accounting firms to grow bigger by bringing in large groups of solicitors.

Enabling the larger solicitors firms to take on barrister partners, and banks and building societies to do conveyancing anti-competitively at cost...

The Bar's counter-proposals include: Improved access to justice by barristers having a professional duty to act in legal aid cases...

A committee of judges, barristers and solicitors to review and simplify court and tribunal procedures.

A legal ombudsman to oversee government departments' administration of courts and tribunals, and to monitor the handling of disciplinary matters by both branches of the profession.

A trying time for profits

FT Index rose 10.9 to 1,574.1

The market had some pretty terrible economic data to deal with yesterday, but judging by the robust reaction, the bad news was already in the price.

Mr Gerald Necklen, Aveling's pensions manager until April last year, said yesterday he was shocked by the suspected deficit.

Mr Roger Powdrill, a partner at chartered accountants Spicer & Oppenheim and chairman of the new trustees...

By this time next week, Minoro will almost certainly have renewed its bid for Gold Fields. Since Minoro launched its \$18 a share offer five months ago...

It has been a busy week for British Aerospace. It has been a busy week for British Aerospace. It has been a busy week for British Aerospace.

Gold. Messrs Greenbaum and Lawson take their fight where they can get it, and they must welcome the gold market's touching faith in their ability to beat inflation.

The US courts could still dash Minoro's ambitions, but this looks increasingly remote.

Whether the market's mood

Whether the market's mood

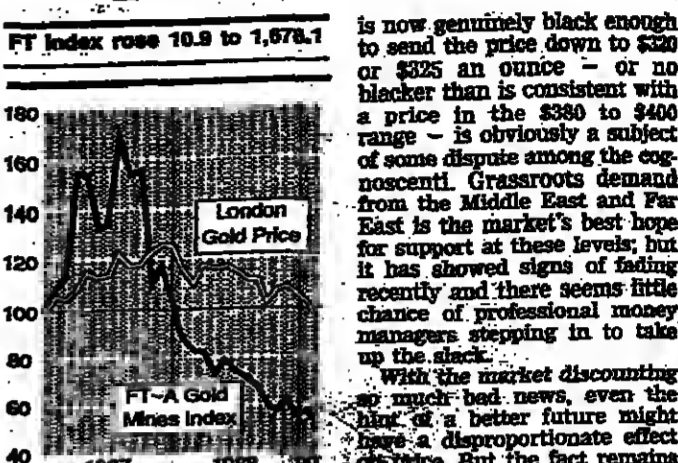


Table with 2 columns: FRANKFURT (Dms) and PARIS (FFrs). Lists various items and their price changes.

Table with 2 columns: NEW YORK (\$). Lists various items and their price changes.

Table with 2 columns: LONDON (Pence). Lists various items and their price changes.

Table with 2 columns: WORLDWIDE WEATHER. Lists weather conditions for various cities.

Table with 4 columns: City, Temp, Wind, Sky. Lists weather conditions for various cities.

BANGKOK 28° 84° Sunny Fly Thai 01-499 9113

Inflation Continued from Page 1

Interest rates is beginning to cool consumer demand - and by another welcome fall in recorded unemployment last month, which took the jobless total to below 2m for the first time in eight years.

Higher home-borrowing costs are expected to have their main effect this month but the staggered implementation of higher mortgage interest rates mean the effects could be felt later.

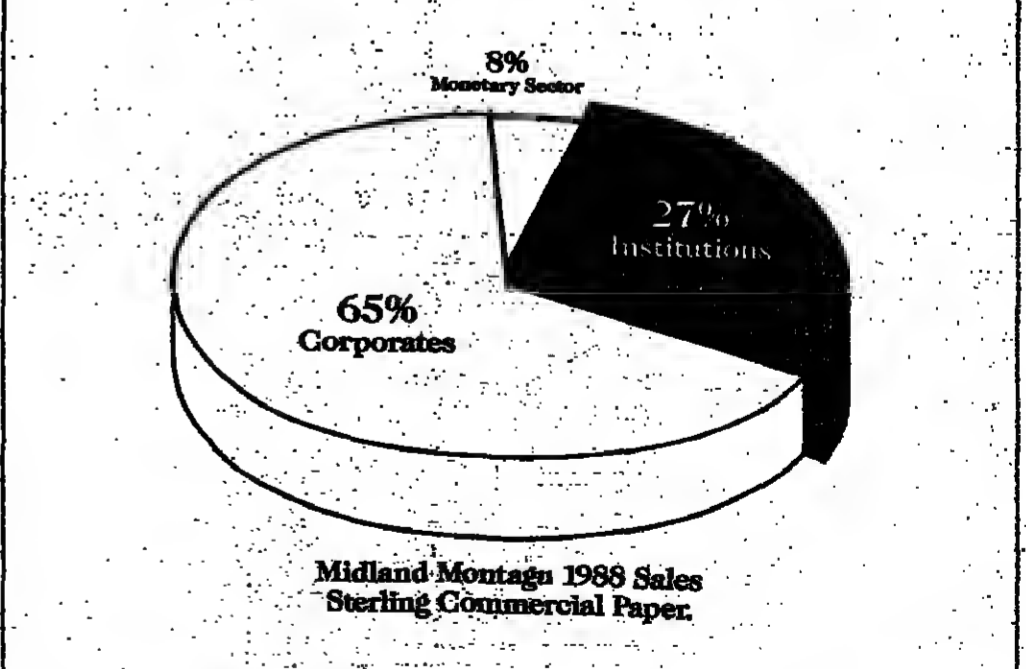
The main reasons for the 0.6 per cent rise in the RPI last month were higher price rises generally and the effects of recent increases in mortgage interest rates.

Rushdie Continued from Page 1

probing questions of the Islamic faith. Mr Rushdie has denied it is blasphemous, but its treatment of Islam has enraged Muslims.

The Iranian diplomat was also quoted as saying that the death sentence had to be extended to the Italian publishing house because "this is the law of God, this is the will of the Imam Khomeini."

MAINTAINING A SENSE OF PROPORTION HAS ALWAYS BEEN ONE OF OUR GREATEST ASSETS.



Since the market opened we have actively sought out to develop our placing power with the institutions. This is why to 1988 percentages in this sector reached 27% compared to the market average of 20%.

MARKETS

FINANCE & THE FAMILY: THIS WEEK

Ethical funds bounce back from the crash

The bandwagon of the UK ethical investment movement is gathering pace again after the October 1987 stock market crash. Even Mrs Thatcher has played a part, with her new-found enthusiasm for all things environmental.

Taking the pain out of CGT

Seriously wealthy readers be warned: one of the most effective ways of delaying Capital Gains Tax - or even avoiding it altogether - is widely expected to be abolished in this year's Budget.

BES: when to watch the costs

Read any BES marketing literature and you will find the words "tax relief" appearing again and again. But how much will it actually cost? More than you might be bargaining for, warns Heather Farmbrough. Page V

Index funds sector heats up

Fund managers Gartmore this week joined the increasing number of groups which offer index-matching unit trusts. Barry Riley takes a look at the newcomer and at the other pioneers in this field of investment. Page III

Planning for life - and death

The cost of living is not the only thing that is going up - the cost of dying has also risen dramatically over the years. Andrew Hill examines the pros and cons of pre-paid funeral plans which allow you to choose your own method of helping you across the great divide. Page V

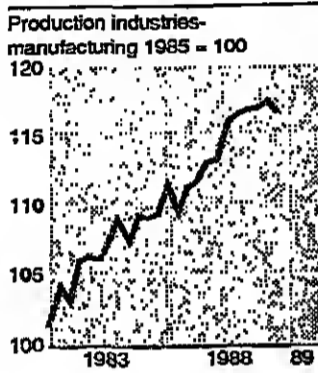


CREDIT: More cards on the way: Page V

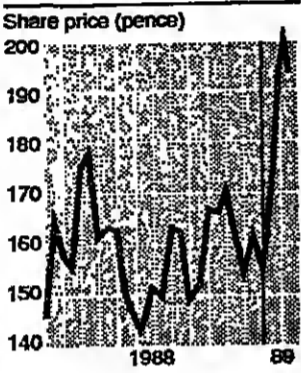
BRIEFCASE: Transfer to a wife: Page VII

EXPATS: When is a house not a home?: Page VII

UK Output



British Airways



Manufacturing output rises 7%

British manufacturing industry's output rose by 7 per cent in 1988 - the best year of the decade so far, according to figures released on Tuesday. Last year's growth compares with a rise of 5.5 per cent in 1987. The 1988 rise is second only to 1973, when it rose by 8.3 per cent at the height of the Barber boom.

British Airways lifts profits

British Airways's shares have had a good run over the last few months. On Wednesday, the airline announced pre-tax profits of £273m for the nine months to December 31 1988 compared with £257m in the corresponding period the year before.

Unemployment falls below 2m

Britain's official unemployment count has fallen below the 2m mark for the first time in eight years. The seasonally adjusted total is down by another 43,300 last month to 1.95m - the lowest since February 1981 and the 30th consecutive monthly fall.

Good year for pension funds

Hill Samuel and Phillips & Drew Fund Managers were the best performing fund managers in 1988. They each achieved average returns of close to 17 per cent for pension fund clients last year, according to the magazine Financial Weekly.

WHAT normally happens when a company reports profits figures which are no more than in line with stockbrokers' forecasts is that its share price drifts downwards amid disappointment that it did not pull something out of the hat and do better than expected.

On Tuesday this week, Reuters, the international news and financial information group, proved itself the exception to this unwritten stock market rule when it announced pre-tax profits up 30 per cent to £215.4m for 1988.

LONDON Mapping a route to an unknown destination

ECONOMIC statistics, rather like Britain's buses, tend to travel in convoys. However, unlike the statistics, bus convoys normally seem to be heading in the same direction.

figures showed an annual increase of 5.3 per cent, the highest rate since May 1985. Unemployment this week fell below the 2m mark for the first time in eight years.

year's multiple interest rate increases. Certainly the tales of woe in the retailing industry continue to mount. This week, Storehouse revealed a rationalisation programme which will wipe 528m off the group's pre-tax profits.

Yesterday's January inflation figure showed the annual rate up to 7.5 per cent, up from December's year-on-year figure of 6.8 per cent. The impact of the increase was slightly diluted by a warning from Chancellor Nigel Lawson last weekend and by the effect of mortgage rate rises on the index but nevertheless the rate of inflation has more than doubled over the past year.

And there were two sets of indications that the consumer boom might be slowing. First the CBI/FT distributive trades survey showed that retailers were as gloomy about the sales outlook as at any time since the survey began in 1983.

This week's stock write-downs, job cuts and information technology improvements must call into question the future of Asher Edelman's 61 per cent stake in the group, Edelman, a New York arbitrator, has not revealed the average cost of his holding but there seems little doubt, with the shares down at

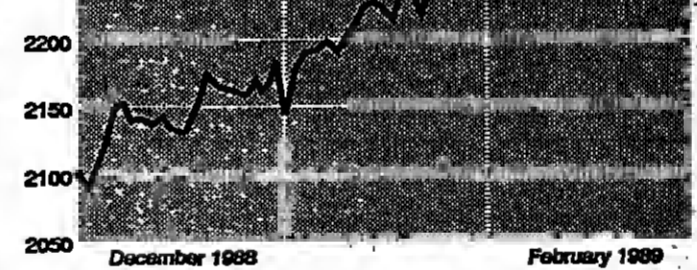
Table with columns: Price, Change on week, 1988/89 High, 1988/89 Low. Rows include FT Ord Index, Amstrad, Arnelite Hidge, Barclays, Bridgen Gp, Davies & Newman, De La Rue, Jacksons Bourne, McCarthy & Stone, Noble & Lund, Northern Foods, Reuters B, Storehouse, Wapney (Geo).

WITH ALL the tediously familiar economic and political problems beginning to reassert themselves in Washington and the bond market showing signs of sobriety for the first time in three months, the bulls on Wall Street are looking for good news closer to home.

Final analyses are not yet available for the fourth quarter results season which ended on Thursday with the announcement of a record \$5.2bn profit from Ford. But preliminary compilations by Salomon Brothers a week ago showed aggregate operating profits of the companies in the Standard & Poots 500 index growing by 22 per cent from 1987 to 1988.

aged buyout specialists to encourage managers who might otherwise be reluctant to distribute a fair share of their profits to stock holders. The beauty of the argument on dividends is that it could provide the market with a prop even if earnings gains began to peter out in the months ahead.

WALL STREET All eyes on the dividend



A look at dividend yields reveals a complementary picture. The present average dividend yield on the Dow is 3.7 per cent. This is well below the 4.3 per cent recorded at the end of October 1987, indicating that equities are more expensive than they were then in relation to their dividends.

Companies which have raised their dividends recently have been rewarded with dramatic gains in share prices. Managers which had long been the butt of analysts' jokes have found themselves rehabilitated in the market's estimation after announcing higher dividends.

Reuters: and now the bad news

market and there are now more than 170,000 Reuters terminals located in 120 countries - computer screens which ping money traders, stock-brokers and commodity dealers into a screen-based market.

As the figures for 1988 showed this week, growth since the crash has hardly been sluggish

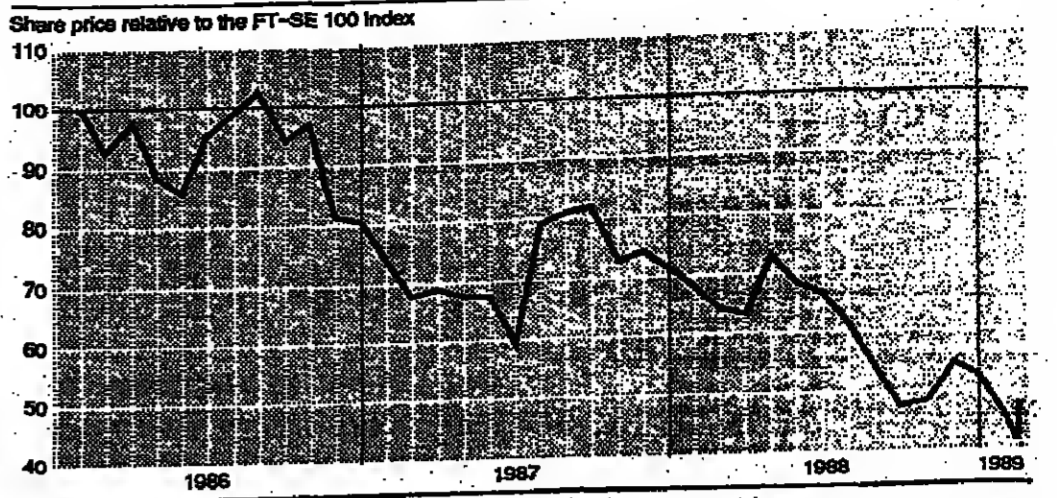
bandwagon? It is worth considering the peculiarly international status of the stock, the high rating accorded to the shares - and the real reason for last year's rise in profits.

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1981 to 1986, pre-tax profits climbed at a compound annual rate of 51 per cent and revenues by 35 per cent. With Black Monday came a terrible fear that this would end.

Analysts agree that further rationalisation at Reuters will not be enough to prevent a slow-down in earnings, and are predicting pre-tax profits of £360m this year and £315m in 1990. This puts the shares on a prospective multiple of over 16 times this year's earnings - a 50 per cent premium to the market as a whole.

Storehouse



1989, that he is sitting on a loss. Another retailer which saw its shares suffer this week was Gateway, following reports that the company's joint brokers, Warburg Securities and BZW, were revising their profits forecasts downwards.

view were given a boost this week by figures from Amstrad, the consumer electronics company, which revealed a 16 per cent fall in interim pre-tax profits and warned of little improvement in the second six months.

There is also plenty of scope for speculation on what the Chancellor will do about taxes in the Budget. With a potential £15bn to £20bn public sector surplus, he has scope to reduce all manner of taxes and still appear fiscally conservative.

The chances of a 'soft landing,' in which both inflation are avoided, must be getting slimmer

Those who take a pessimistic view were given a boost this week by figures from Amstrad, the consumer electronics company, which revealed a 16 per cent fall in interim pre-tax profits and warned of little improvement in the second six months.

those who once supported them. On the other hand, a rash of poor results from leading companies, such as Amstrad, is often a sign that the economy is heading for recession.

On Wednesday Corton Beach, the Merseyside municipal council, set the seal on a \$5m acquisition of Sunco, a Dutch leisure company. At the same time, Sharp & Law bought the French Giflin Lavault, a fellow shop-fitter, for £1.8m. Last week Sherwood, the textile group, bought Dentex, an Amsterdam-listed lace manufacturer, for £11.6m.

FOR SOME company directors, the Continent might conjure up images of sun, pavement cafes and skiing holidays. Increasingly, however, these associations have been displaced by those of crash language courses, *accords*, and the subtler nuances of Gallic business practice.

Monday 2,222.89 + 3.87
Tuesday 2,221.25 + 1.56
Wednesday 2,208.88 + 32.89
Thursday 2,211.43 + 7.50

Anatole Kaletsky

Not everyone takes this aspect of deal-making so seriously. Neville Buch, the chairman of Bleinheim Exhibitions, admits cheerfully to being relaxed about the difference in accounting standards between the UK and abroad. "One has to be less pernickety," he says.

Now, however, it believes it has acquired a truly European flavour. When in France, Buch claims, Bleinheim is no longer seen as UK company. "We have become part of the French establishment," he says, pointing to the partnership structure Bleinheim has agreed with its foreign counterparts and the fact that 20 per cent of its equity is in French hands.

Accordingly, board meetings are now rotated between Paris, London and Wiesbaden. Furthermore, a Declaration de President and a Bericht des Vorsitzenden are given the same space as the chairman's statement in the annual report.

Analysts agree that further rationalisation at Reuters will not be enough to prevent a slow-down in earnings, and are predicting pre-tax profits of £360m this year and £315m in 1990. This puts the shares on a prospective multiple of over 16 times this year's earnings - a 50 per cent premium to the market as a whole.

Deal-making is seen as a particularly minefield. Parker was struck by a lack of up-to-date information on the companies he was considering buying. Moreover, legal, tax and accounting differences were potentially pitiable. Instead of the 1 per cent stamp duty payable in the UK, Sharp & Law would have been charged 15 per cent capital duty in France - although, in the end, that was whittled down to just 2 per cent.

David Waller

Vanessa Houlder

FINANCE & THE FAMILY

Richard Waters examines the benefits of an offshore loophole

Taking the pain out of capital gains

ONE OF THE most effective ways of delaying capital gains tax - or even avoiding it altogether - is expected widely to be abolished in this year's Budget. But there is still time to act. If you are seriously wealthy, and expecting a capital gain of at least £100,000 at some time in the future, read on.

Reducing the impact of capital gains tax has become an important concern to many people over the past year. Until last year's Budget, it was nearly a luxury to be able to pay it: capital gains were taxed at 30 per cent while income was charged at the top rate of 60 per cent. That almost made capital gains seem cheap.

Now, though, the top rate of income tax has come down by a third to 40 per cent - while capital gains has gone up (for those paying the top rate of income tax) to 40 per cent. Capital gains tax now feels much more painful.

Another concern is what happens in the future if and when income tax rates move up. Capital gains tax rates are now tied to income tax, so that you pay capital gains tax at your highest rate of income tax. This means that an increase in one will lead to an increase in the other. In short, future capital gains could be very expensive.

One way of alleviating this is to shift your assets into an offshore trust. When the asset is sold, the capital gain falls outside the scope of UK tax. The money is taxed only when it is actually paid back into the UK - which means that the tax can be delayed indefinitely by investing the money overseas and paying only the investment income into the country.

Alternatively, if the capital is spent abroad, no UK tax ever falls due. This makes it an ideal arrangement for, say, the owner of a family company who plans to live abroad after retirement, or an individual

who intends to spend a considerable amount of time abroad.

However, the Treasury is believed to be preparing to end this tax benefit. Last summer, it announced that it was investigating the tax treatment of trusts, and it is known to dislike this particular "loophole."

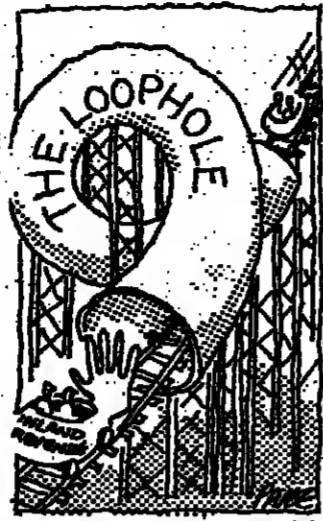
Many tax experts are convinced that change is in the air. In a classic example of pre-Budget madness, it was rumoured widely two weeks ago that the Treasury was planning to attack offshore trusts immediately, rather than wait for the Budget. A mad rush followed: it is estimated that hundreds of trusts were set up within one week, and that hundreds of millions of pounds worth of assets were shifted offshore. The Treasury still has not acted. The loophole remains open for the time being.

There are two ways of putting assets into an offshore trust, each of them with different tax consequences. The first involves exporting an existing UK trust. In this case, tax is payable on the capital gain at the time the UK trust was first set up.

Takes the case of a piece of land which cost £10,000 to buy and which was worth £10,000 when put into a UK trust five years ago. Now, at the time of exporting the trust, it is worth £50,000.

Tax is payable on £10,000 less £1,000 (leaving aside the effects of indexation). This is known as the "holdover gain," which has been latent in the trust but crystallises only on export.

Ralph Ray, a specialist in trusts with solicitor Wedlake Saint, advises extreme caution when exporting a trust. It is vital, he says, to ensure that the first two named trustees are individuals rather than companies (such as banks). This rule has not always been followed in the past, leaving room for the Inland Revenue to claim that a trust has not been



exported properly and to overturn the whole arrangement.

The second situation involves putting assets into trust for the first time. Any capital gain on an asset is taxed when it is put into an offshore trust. This means that, even if the asset is not sold until many years into the future, it is necessary to pay tax now on the notional gain on the asset. Financing this could be a significant cost if the gain is large.

Imagine that the land which cost £1,000 is transferred into an overseas trust without having been held through a UK trust in the meantime. Tax is due on the difference between £50,000 and £1,000 (less the indexation element again).

For this reason, it is worth the effort only if the assets are likely to increase in value significantly in the future and have risen little in value so far - shares in a family company in the early years of its existence, perhaps, or agricultural land which is expected to have development potential at some time in the future. The tax payable on setting up the trust is small compared with the expected capital gain which will occur offshore in the future.

Setting up a trust is an expensive business; this is why it is worth considering only if the potential tax saving is large. Professional fees are likely to run to about £2,000 (most lawyers and accountants can advise on the arrangements). Then there is an annual running cost, likely to amount to £4,000 or £5,000. The trust needs two offshore trustees, whose time does not come cheap.

Nevertheless, if you are facing a capital gain of £100,000 or more, it could save you a quite hefty tax bill if you act quickly.

Barry Riley takes a close look at the growing family of index-matching trust funds

Cut-throat competition on the tracks

MERCIFULLY managing without pictures of sniffing tracker dogs, fund manager Gartmore this week added to the growing family of index-matching trust funds.

Gartmore is offering retail investors their first chance to buy an international index trust which will track the world market (excluding the UK), its other new fund, a UK index trust, does pretty much the same job as Morgan Grenfell's UK Tracker fund, which was launched last autumn.

Morgan also offers a US Tracker fund, and elsewhere James Capel has marketed funds covering Europe and Japan, as well as another US trust. Altogether, therefore, investors' needs are covered fairly comprehensively by the handful of funds already on the market.

This is on the basis that one index fund is pretty much like another. This might not necessarily be true, because it has been known in the past for index funds run for institutions to go off the rails slightly.

However, with the improvement in computer power and software availability, the risks ought to be declining.

In the circumstances, therefore, index funds are likely to turn rapidly into commodity products which are bought and sold purely on the basis of price. What is more, they function better the bigger they are, which also argues against the kind of proliferation that has been seen in some other sectors of the unit trust market. So the prizes, if there are any, will go to the pioneers. In the circumstances, many unit trust companies have vowed to stay out of what promises to be a cut-throat field.

Gartmore set the tone this week by emphasising the value for money of its new products. Its initial charges of 3.75 per cent on each fund sharply undercut the 5-8.25 per cent charged by the Morgan Grenfell and James Capel funds, and its annual charges (0.5 per cent on the UK fund and 0.6 per cent on the international version) are competitive with

the other index funds and usually below the 1 per cent-plus that has become the norm for conventional unit trusts.

Index funds cannot be started from scratch because they must be invested in hundreds of different stocks. They need an initial lump of "seed money" which, in this case, the managers have raised from institutions such as life companies. Some £20m has gone into the Gartmore UK Index fund and £8m into the Gartmore International Index fund. However, the trusts are available freely to retail investors through the normal channels and Gartmore's managing director, Peter Pearson Lund, says he is aiming for an aggregate of £50m in the two funds in 12 months' time.

How do the funds work? Fortunately, investors do not need to bother about the technicalities which include wait for it - multiple factor optimisation and stratified sampling, not to mention concentric core management. The UK fund is invested in 300-350 stocks in

order to track the FT-Actuaries All-Share index (712 constituent stocks) to within a standard deviation of 0.5 per cent a year. The international version also has 300-350 stocks, and is designed to track the FT-Actuaries World Ex UK Index (2,133 stocks) a little less closely, to within 1 per cent.

In one sense, the products inevitably are a little dull. Investors want to beat indices, not track them (or, more accurately, lag a little bit behind full index returns because of costs). But in practice, most unit trusts fail to beat such indices. Moreover, it can be argued that index funds are a little less volatile - that is, less risky - than conventional or actively managed funds.

Phrases like "peace of mind" were cropping up in Gartmore's marketing spiel this week. The managers appear to be focusing, in particular, on advisers such as accountants and solicitors who want to be able to recommend a basic unit trust without pretending to know their way around the

1,000-plus on the market.

"There will be those advisers who really want to get their clients into core portfolios which track the markets," claims Pearson Lund. Is there a conflict with Gartmore's existing active funds, which claim to offer the potential for extra performance? "We mustn't be too dictatorial about what the client should buy," he says. "One has to be in the business of offering a spread of opportunity."

Later on, it seems, Gartmore will try to popularise the concept of "core/active" strategy, whereby exotic and risky funds will be added to the basic index funds on a flexible basis. This might appeal to knowledgeable private investors and to intermediaries who like to provide a management service.

Fancy index funds are also possible, including small company funds and "dilted" funds which try to capture extra performance in various ways. But, for the time being, Gartmore is sticking to its plain vanilla products.

IN THE NEWS

New loan bonus

disipated by the reduction in tax relief on mortgage interest payments as well as higher interest rates and property prices.

Bolet argues that the people who will be interested most in rented accommodation will be the young - something, perhaps, for investors and sponsors of the Business Expansion Scheme to bear in mind. (See Page V)

LONDON AND the south-east remains a buyer's market, according to a survey for the quarter ending in January published by the Royal Institution of Chartered Surveyors. Yet, the picture in the North is quite different; prices are still rising rapidly.

In North Yorkshire, for instance, January has been unusually busy with a surprising number of sales. Nevertheless, a local estate agent reports that a number of sales have fallen through in the first part of this month,

partly as a result of higher mortgage rates.

In the West Midlands, house prices are stabilising but enquiries and transactions have increased. But first-time buyers are notable by their absence in all regions, in spite of the efforts by some building societies to offer slightly lower rates to new home-owners.

LATEST performance figures on offshore funds show that Japanese equity funds produced an average return to US dollar investors of 17.7 per cent compared with 31.1 per cent from Far Eastern funds.

MIM Britannia Nippon Warrants is the best performing fund over the year to February 1, 1989, with a return of 158.7 per cent, according to Micropal. The Fortessa fund, Taiwan ROC and Taipei fund were the best emerging market funds; and Fidelity PP South-East Asia and Murray Pacific Growth

the best performing broad-based portfolios.

In Europe, Abbey GGF European Growth (up by 63.8 per cent) performed best over one year, with BNP Interequity French (63.8 per cent) in second place.

Across the Atlantic, US funds show an average return of 16.3 per cent over one year and 24.3 per cent over three.

CLIENTS OF Price Waterhouse may be interested to hear that the accountancy firm is sending out bright blue plastic Budget Survival Kits to journalists.

The kits contain essentials like a pair of baby's nail scissors (for tax cuts, of course) and a red toy Porsche (in case the Budget hikes up tax on company cars). Most gifts were supplied free by the manufacturers, so the accountancy firm has not spent its clients' fees on freebies.

I wonder what would be in a kit to survive accountants? Ear-plugs, paracetamol and a fat wallet, perhaps.

Heather Farmbrough

Now TSB will pay interest on accounts

TSB England & Wales is to launch two interest-bearing current accounts in March, designed for customers with sufficient funds to benefit from higher interest rates. TSB's move follows similar steps by the "big four" clearing banks during the past two months.

The TSB High Interest Cheque Account will pay 9 per cent on balances over £2,000; 7.5 per cent on balances between £500 and £1,999; and 5.5 per cent on balances under £500. But customers with balances of less than £2,000 will be entitled to only 20 free transactions each quarter and will have to pay a £2.50 quarterly management fee. The bank will also charge for transactions.

A second account, TSB Interest Plus, will pay 6 per cent on balances over £500 and 4 per cent on balances below that amount.

David Barchard



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FINANCE & THE FAMILY

EXPATRIATES

When houses are no longer homes

ONE OF THE biggest financial decisions facing prospective expatriates is what to do with their house or flat in the UK.

If you are planning never to return, then you might as well sell up, particularly as this will help in any future plans you may have to convince the Inland Revenue that you have changed your domicile for inheritance tax purposes. Your only problem on selling is how best to invest the proceeds.

Clearly, you still have the option of selling up, even if you are planning to return to the UK after a three- or five-year stint in, say, the Middle East or Europe.

What stops many people from this is the potential difficulty of getting a new foothold in the residential property market, especially if prices rise over the next five years match those of the mid-1980s.

Some expatriates leave their property vacant on the basis that it can be used by family and friends in the UK, and by themselves on home visits. There are two significant disadvantages inherent in this route.

The first is vandalism (or worse) and the second is that the property generates no income to set against mortgage repayments.

Many expatriates opt for a second house, which is to let out the property and use the rental income to fund the mortgage outgoings. There is

usually no problem in doing this, although it is as well to be aware that some mortgage lenders take a more relaxed view than others and this can be reflected in the form of a financial penalty.

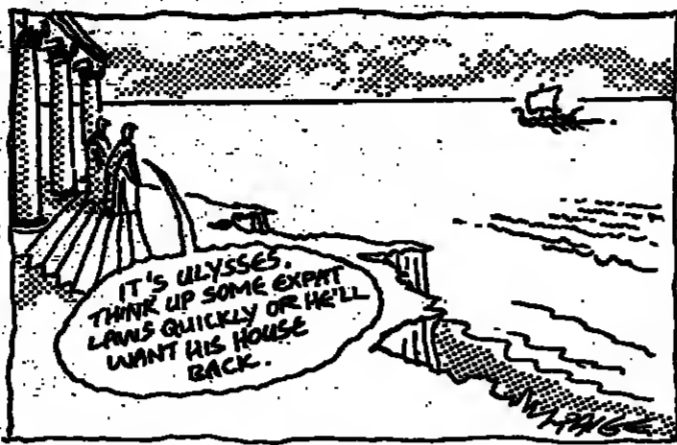
The Halifax quotes the same mortgage interest rate irrespective of whether the owner is the occupier or an expatriate who has let out the house. The society does insist that rental income covers mortgage repayments, rates and ordinary outgoings.

The Halifax rate is also the same whether the loan to purchase a UK property is advanced to a prospective expatriate, or to an existing one who wants to buy and let out a UK property as a hedge against rising prices.

The Woolwich takes a slightly different view. The standard rate applies if a borrower takes out a loan intending to be an owner-occupier and then becomes an expatriate. If, however, the loan is taken out by an existing expatriate, the Woolwich charges a "commercial rate" usually 1 per cent higher than the standard rate.

BNP Mortgages, part of Banque Nationale de Paris, has just launched a plan for British expatriates who wish to buy and let out a UK property.

The interest is set at 0.5 per cent above BNP's variable mortgage rate, but discounts of



0.5 per cent on the variable rate for loans between £80,000 and £100,000, and 0.75 per cent on loans above £100,000, apply for 12 months on all new mortgages offered up to June 30.

David Cameron-Moore, managing director of BNP, says the 14.25 per cent rate on expatriate mortgages is justified by the greater risks involved when a borrower is not resident in the UK.

The group aims to minimise these risks by insisting either on a corporate let or an individual let on an assured tenancy or assured shorthold basis where the tenancy agreement is approved by its own lawyers.

BNP is also offering loans to expatriates who wish to buy a second home in France, providing their first mortgage is secured on a UK property. It is planning to extend the facility to Spain and Portugal.

London and Country's new Lifestyle mortgage package is also available to expatriates, while the similarly named London & Capital has developed a mortgage package for French residential property.

Among the building societies, the Abbey National is the most active in addressing the specific needs of British expatriates in Spain.

Abbey's Gibraltar office acts primarily as a mortgage lender for British expatriates and holiday home-buyers on the Costa del Sol. Abbey is also looking at business potential in France and Portugal.

Abbey's arch-rival, the Hal-

fax, has its sights fixed more on northern Europe, with the opening this month of five representative offices in Germany for members of the British armed forces stationed there. The new offices at Rheindahlen, Münster, Herford, Falling-bömel and Detmold can be used to arrange mortgages on UK properties.

The Ministry of Defence is, meanwhile, combining with Gardiner Mountain financial services and Kleinwort Benson to provide a special tailored mortgage package for the armed forces.

Called the Property Purchase & Letting Scheme (PPALS), it aims to help service personnel overcome the problem of missing out on the UK property market when posted abroad.

A particular legal provision, known as Case 20, makes members of the armed forces a particularly good bet for mortgage lenders when it comes to letting out property.

Subject to certain conditions, Case 20 means that members of the armed forces who are returned home unexpectedly have the right to reclaim possession of their home immediately, irrespective of a tenancy agreement.

Peter Gartland
Peter Gartland is editor of The International, the FT magazine for expatriates.

Transfer to a wife

My wife has no income of her own and it has been suggested that, in order to make the maximum use of the impending changes in the taxation system, we should transfer capital into her name now. We have approximately £40,000, mostly in unit trusts, in our joint names and have been advised to invest £20,000 in my wife's name in a roll-up fund.

I understand the best of such funds are managed by the top merchant and investment banks from an offshore tax haven. The £20,000 would be left to appreciate on a com-

pound basis and cashed in after April 6, 1990, when most of the gain would be tax free, as the personal tax allowance is likely to be about £3,000 by then. Is this a sound idea?

Your opening remark that your wife "has no income of her own" is contradicted by your second sentence in which you say that she has a half-interest in investments worth about £40,000 - mostly in unit trusts. Presumably, your tax returns have reported the income from these joint investments as belonging half to your wife and half to yourself. If, however, you have

entered the whole of the income under "self" and none under "wife," then the Inland Revenue might take that fact as indicating that you regard your wife's investments as subject to your own overriding control; that being so, your ideas may be frustrated by the anti-avoidance legislation fore-shadowed in the debate of the Finance (No 2) Bill last June.

The Financial Secretary warned that the Revenue would be looking at transfers between spouses to ensure that the donor spouse does not seek to retain any control over, or benefit from, the cash or assets

O&A BRIEFCASE

No legal responsibility can be accepted by The Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

transferred. In making gifts to your wife, you must make it abundantly clear that she is free to spend money (or the proceeds of sale of assets transferred) in any way she likes, without being accountable to you in any way.

Frustrated by tax law

Between 1979 and 1982, my mother and my wife made gifts to our son of £10,000 and £5,000 respectively. To avoid the expensive requirements of a formal trust, we followed the advice of my solicitor by creating a bank account in the name of my wife "in trust for our son" from which investments were made in a number of unit trusts, all registered in his own name.

We recorded with the tax authorities that the gifts are now free of inheritance tax. However, from the recent first request for a rebate of tax on dividends paid, the Inland Revenue has referred to Section 63 (1) of the Income and Corporations Taxes Act 1988 and says the proportion of income attributable to my wife's gift must be taxed at our current rate. Is this right, since none of the said net income has been paid to or provided for the benefit of our son in the tax year?

It looks as though your wife either misunderstood the solicitor's advice or failed to make clear precisely what she had in mind. It is a pity that the money from your mother was mixed with that from your wife, because separation (in two accounts, instead of one) would have made the tax position much simpler; nothing can be done now to remedy matters, however. Since the distributions in respect of the units in your son's name (and owned beneficially by him) must have been made by warrants made out to your son, then clearly the income in question has been "paid to or for the benefit of" your son. Section 663 (1) of the Taxes Act therefore frustrates your wife's plan, as the Inspector says.

CGT for an emigrant

I AM considering emigrating to Canada and buying a business there. My capital is at present largely in UK shares with a large potential CGT liability. Is it possible to avoid this by selling the shares after I have emigrated, and could you recommend any books treating potential problems in transferring from the UK tax regime to the Canadian?

Yes, as you will see from concession D2 in the free booklet of extra-statutory concessions, IR1(1988), which is obtainable from your tax inspector's office. Bear in mind, of course, that there is a capital gains tax in Canada. Since you intend to buy a business there, it surely makes sense to seek professional guidance through the UK/Canada tax maze. Perhaps a local accountancy firm can put you in touch with their Canadian associates. This is really not a suitable field for do-it-yourself tax research.

any provisions for a desired distribution?

Your son's estate would be distributed to the beneficiary of whichever of you actually dies later. But if the sequence of deaths cannot be ascertained, each estate will be distributed as on the intestacy of each (separately) on the assumption that the spouse of the intestate did not survive intestate. If there are no relatives who can take an intestacy, the two estates would go to the Crown, as "bona vacantia."

Exemption abolished

My wife and I are drawing up our wills and the advice given by you on November 19, 1988 ("Dividing a house"), is relevant to our own situation and plans. But is it really true, as you suggest, that capital gains tax would be payable on increases in value from the date of the first death? I thought that CGT was not payable so long as children are allowed an elderly parent to live on in their (the children's) property.

As explained in the FT on the morning after the Budget last March, and as you will have seen from the reply published on Christmas Eve under "Leaving home," the CGT exemption for dependent relatives' houses was abolished by Section 111 of the Finance Act 1988 (subject to limited transitional relief for existing cases).

Entitled to shares

IN THE Britoil offer for sale in November 1982, 2,000 shares were applied for and duly allocated fully paid. These were entitled to a small shareholder bonus issue of one for 10 held until November 30, 1985. The owner of the shares died on October 7, 1985. None of the shares were sold by the executors until January 16, 1988.

In the offer for sale, it was stated that a small shareholder would lose his entitlement to the bonus if he ceased to be the sole registered holder. On November 30, 1985, the shares were still registered in the deceased's name.

The offer for sale did not mention the intervention of death; and it would seem that the executors would "stand in the shoes of the deceased" and be entitled to all his rights. Is this so?

It is interesting that in the 1986 offer by the Trustee Savings Bank, this situation was covered specifically. The offer stated that, in the event of death, the personal representatives would be entitled to the extra shares provided the original holding remained in the name of the deceased until the qualifying date.

Were the executors in the Britoil case advised wrongly when they were told they had no claim to the bonus shares?

We think that, in principle, your contention is correct and

that it would be open to the executors to "claim" the Britoil bonus shares. It would be necessary to examine the relevant prospectus carefully to ensure that there is nothing stated in it which might be taken to negate the inference which you draw.

Wages are owing

MY DAUGHTER was employed in a restaurant owned by a company which went into liquidation. Before this, she was not paid for one month. She received a cheque for her last month's pay which was refused. She has written to the Receiver but what are her rights?

Wages due for an employee's salary in the four months preceding liquidation, up to a maximum of £300, are a preferential debt (see 19th Schedule to the Companies Act 1985). Your daughter can, therefore, claim as a preferential creditor.

Who gets the estate?

MY WIFE and I have made wills leaving everything to each other. There are no children. If we both died together, say in a plane crash, what would happen to the estate? Who should make the neces-

sary provisions for a desired distribution?

This advertisement is issued in compliance with the Regulations of The Stock Exchange.

Nationwide Anglia Building Society

(Incorporated in England under the Building Societies Act 1874)

Placing of £20,000,000 12 1/2% per cent Bonds due 26th February, 1990

Listing for the bonds has been granted by the Council of The Stock Exchange. Listing Particulars in relation to Nationwide Anglia Building Society are available in the Extel Statistical Services. Copies may be collected from Companies Announcements Office, 46-50 Finsbury Square, London EC2A 1DD until 21st February, 1989 and until 6th March, 1989 from:-

Fulton Prebon Sterling Ltd., 34-40 Ludgate Hill, London EC4M 7JT

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18th February, 1989

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The prior of units and the income they produce may go down as well as up and are not guaranteed. Past performance should not necessarily be taken as a guide to the future.

TEMPLETON UNIT TRUST MANAGERS

Templeton House, Athol Crescent, Edinburgh EH3 6HA. Member of LAUTRO-IBERO-UTA

12.8% PER ANNUM

Looking for a high regular income from an investment of £1,000 or more?

Look no further than the MIM Britannia Jersey Gilt Fund Limited.

The investment objective of the Fund is to provide you with a high level of income which is paid every three months. Under current tax law this income is paid free of any withholding tax to U.K. residents, unlike U.K. bank deposit and building society accounts. U.K. residents may, depending on their circumstances, be liable to U.K. taxation in respect of the income they receive. Jersey residents will receive income net of Jersey income tax.

In times of static or rising interest rates, the level of income paid to investors may be at the expense of capital. This results from the purchase of Gilts above their redemption levels. This is fully explained in the literature you will receive in response to your enquiry.

The current yield of 12.8% is based on the Directors' current dividend policy and the price of shares on 13.2.89. It should be remembered that the price of shares and the income from them can go down as well as up and that past performance is not a guide to the future and that levels and bases of taxation may change from time to time.

MIM BRITANNIA JERSEY GILT FUND LIMITED	
Current Portfolio (as at 13.2.89)	
U.K. Government Securities (Gilts)	81%
Other sovereign backed securities	17%
Cash	2%
	100%

The Fund is an open-ended investment company registered and based in Jersey. Its shares are listed on The International Stock Exchange, London, and it is also registered in Hong Kong. It is certified as a "Distributing Fund" under the provisions of the U.K. Finance Act 1984 in respect of its accounting period ended on 31st October 1987.

YOU'RE SECURE OFFSHORE WITH MIM BRITANNIA INTERNATIONAL (JERSEY) LIMITED

MINDING YOUR OWN BUSINESS

EIGHT years can be a long time in business life. It is a period that has meant a lot to David Sanders and Tony Lovell, who both stepped from the wreckage of failed businesses early in the 1980s. Each suffered a severe jolt to personal confidence, but each had the ability to manage this successfully. Both have since responded in the same positive way by creating a new business and making a success of it.

interest rates to record levels, and the pound became so strong that it hit exporters, few activities were hit harder than British pleasure boat-builders and marine supply services. On the Sussex and Hampshire coasts - the area television viewers have come to think of as Howard's Way country after the serial based upon the boating world - many firms suffered.

employing 700, saw his company go into receivership as its 60 per cent export business dried up. Lovell, who had built up a fleet of trucks primarily to ship completed yachts into Continental Europe, lost his business for the same reasons.

Tide turns for a yachtsman

Roy Hodson on the ex-millionaire who now covers a new market

DAVID SANDERS, sitting in his office in a small factory that has meant the less fashionable outskirts of Southampton, is now his own man in a way he never could have been while he was running Westery Marine Construction, one of Britain's fastest-growing businesses of the 1970s.

etor and manager of a far smaller business called Custom Covers, based at Southampton. He has raised turnover by cautious increments each year since buying it five years ago, and expects to reach £800,000 this year with a staff of just 36.

to himself that he is a good manager after the Westery crash.

years for the new Westery company which was formed to pick up the pieces. Westery Yachts, as the present company is now called, has regained a strong place in the market and has built upon the standards set by Sanders in the 1970s for producing sound cruising boats.



Tony Lovell . . . mapping out a road to riches

AFTER A painful experience running an international road haulage fleet, Tony Lovell has turned his knowledge of Europe's highways and by-ways into a profitable business.

Route to success

Marseilles, and has checked the turning angles of sharp bends that may bring a load to a grinding, expensive halt. He has also worked out clearways through the bureaucracy and paperwork which accompanies the transportation of heavy equipment across Europe.

also possible for the unwary haulier to be fined up to £2,000 on the spot in France if they are not all in order.

After losing a business largely because of a sea-change in expert market conditions, Sanders has no illusions about the perils of over-exposure to exporting that a small business runs. "To expect more people and bigger overheads. I am prepared to wait until we are paid-up members of the European Monetary System - or, better still, wait for a real Euro-currency," he says.

WHEN Lloyds Bank unveiled a £30m scheme for a nationwide network of 500 small business centres this week, it also revealed some trade secrets - namely, consumers' past habits concerning their banks.

BUSINESS OPPORTUNITIES

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1.24 ACRES WITH OUTLINE PLANNING CONSENT FOR 15,000 SQ.FT

A national company now finds its 1.24 acre plot, the last available site on Lymington's premier industrial estate, surplus to requirements.

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All rights to the product are negotiable
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IRISH SOFTWARE DEVELOPMENT COMPANY (DOS & XENIX)
Seeks joint venture with UK Software/Marketing Company
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Outright cash sale of this established company sought
Situation - Hampshire/Surrey
Turnover - 1 million
Leasehold Warehouse Property
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Suit Expanding mail order Company. Realistic price.
Further information contact:
D.A. Carw 0252/711244

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for sale at present operated by company with consumer credit licenses - total loans £475,000 approx. with good current interest income.
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FRANCE - 1992 INITIATIVE
Englishman in French domicile 3-4 months p.a. could make contacts
Write to Citibank Services Ltd, 21 High Street, Ipswich, Essex IP1 1AF

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Telephone: John Han or Philip Lambert 01 831 9222

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Mr Donald Reid 0908 642712

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MOTORS

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Stuart Marshall tries out a diesel debutante

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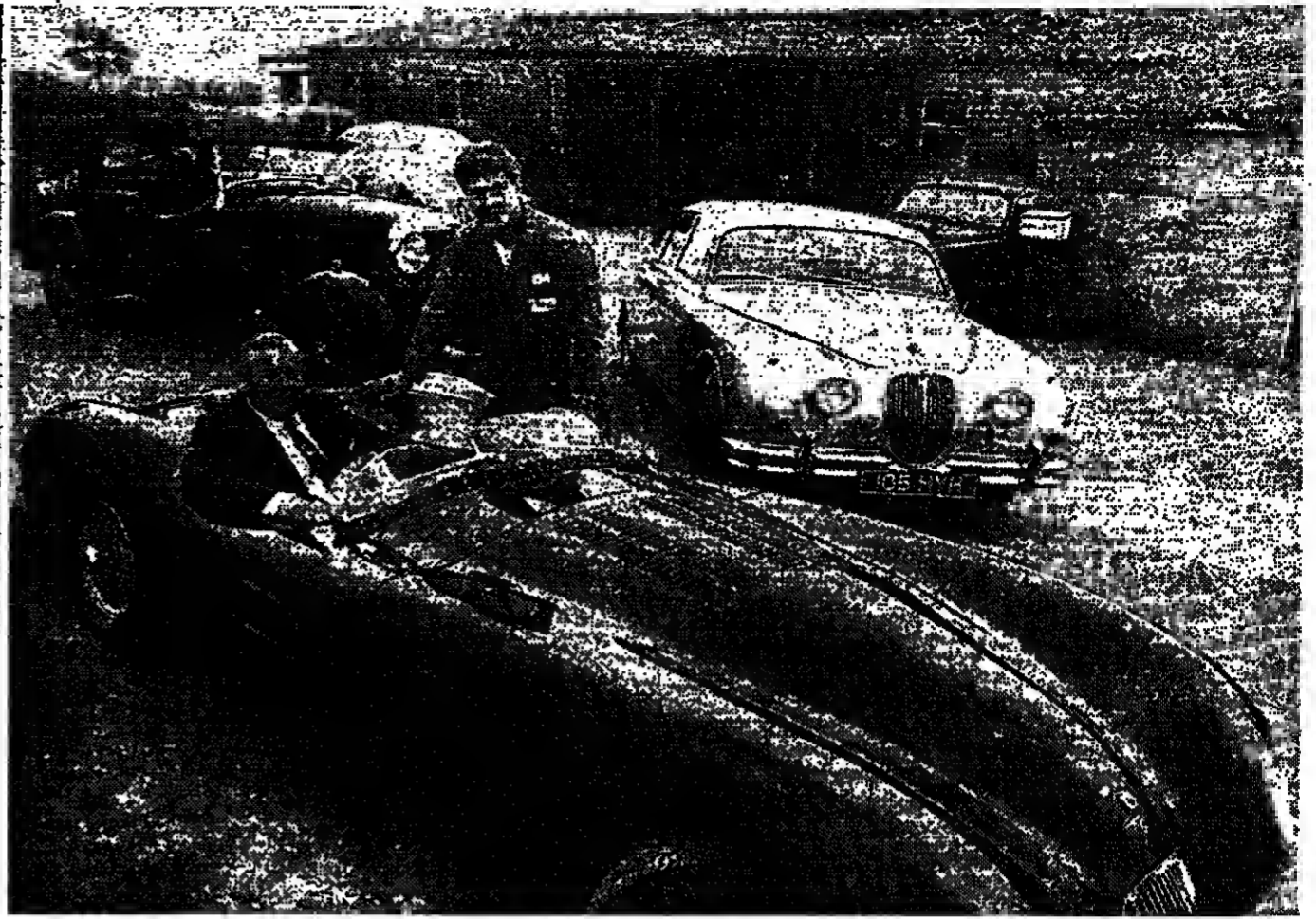
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PORTSMOUTH ROAD, THAMES DITTON, SURREY OI 398 4222

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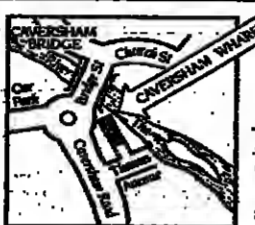
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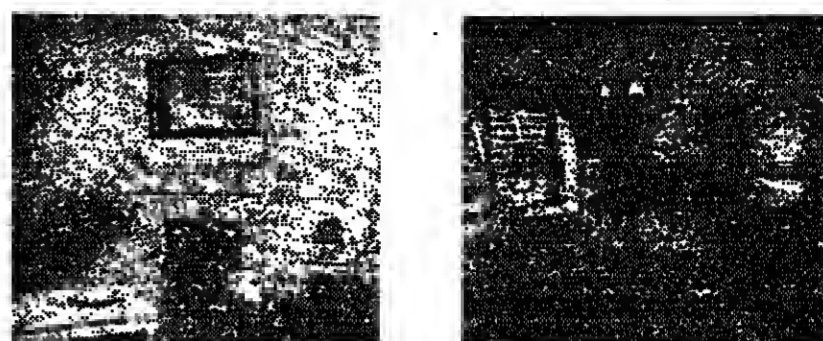


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Advertisement for Lane Fox, featuring a house illustration and details about its location and features.

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PORTUGAL CASCAIS In prestigious Quinta de Marinha a beautifully constructed home 856m², on 3000m² land.

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SPECIAL REPORT/LANGUAGE COURSES

Learning is such a personal matter

And, says Alan Forrest, it is no longer good enough for students to do it the hard way

JUST HOW seriously the UK business community is taking the approach of the 1992 single market is shown by the increasing number of inquiries to the London Chamber of Commerce...

accustomed to various accents. This allows action to be taken, rather than calls being lost or delayed. To illustrate the increasing professionalism...

weeks? Quite a lot, it turned out. A leaflet on language training for British industry - prepared by a number of organisations...



Why English is so important

Marilyn Bentley looks at the world's most universal tongue

"ANY LITERATE, educated person on the face of the globe is deprived if he does not know English," wrote Dr Robert Burchfield...

company, based in Turin, financed by French, German and Italian money, and staffed by Europeans, conducts all its business in English. The need to learn English is clear...

Until 1980, the Department of Education ran a voluntary recognition scheme, but this was found to be uneconomic and was discontinued. The British Council administers the English Language Schools Recognition Scheme...

registration is a useful general indicator of quality. At present, 221 schools are recognised under the scheme; but although the council will provide a list, it is unable to make recommendations to meet a client's specific requirements.

vocabulary such as aviation, law, engineering, banking, marketing and sales, or a particular teaching method, house style or level of formality. Arels-Felco is in the process of setting up a pilot database scheme...

The British Council The world's largest English language teaching network English language centres in 31 countries Europe 16 language centres Middle East 14 language centres Far East 12 language centres meeting your global English language training needs

WITH 1992 GETTING CLOSER BY THE MINUTE, WHY NOT START TO LEARN A FOREIGN LANGUAGE NOW? LINGUAPHONE Linguaphone means effective language training for business...

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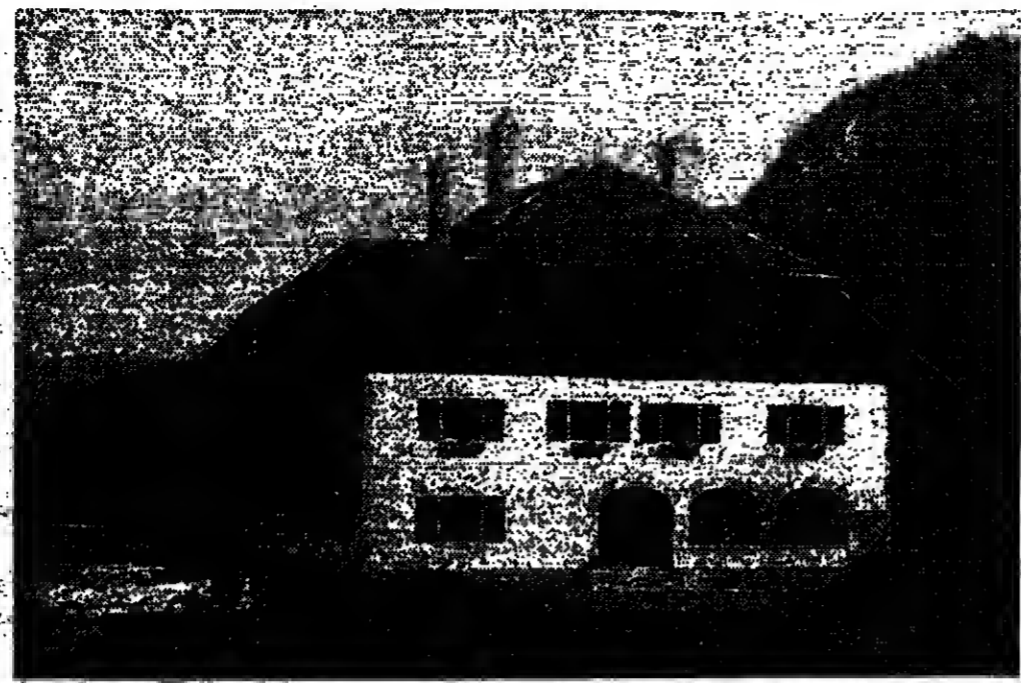
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SPECIAL REPORT/LANGUAGE COURSES

Meeting the challenge of the EC in '92

Andrew Anderson explores ways to learn French on the spot

HANDS UP all those whose memories of learning French are still haunted by visions of cold classrooms, drilled verbs and barked commands...



Linguarama's La Forclaz school, which offers one-to-one tuition and tailor-made courses.

ally in a social context. Gradually, they built up grammar and vocabulary and honed pronunciation through "normal" conversation and natural curiosity about their new-found friends...



The Chateau Valouze in the Dordogne, where a week's intensive course costs about £730

Single market could end the parochialism

Government and commerce are responding to the need for linguistic change, says Marilyn Bentley

BRITONS HAVE traditionally been regarded as lazy and chauvinistic when it comes to learning foreign languages. But their island status, as much a psychological as a physical division from mainland Europe, is about to be altered by the completion of the Channel tunnel...

There are signs that both British commerce and government are responding positively to the challenge, companies by an increasing demand for language tuition, and government by providing initiatives to facilitate such training...

bench mark against which their quality can be measured. Anyone can set up a language school. The first attempt at a comprehensive and critical database is the London Chamber of Commerce's "languages for business" service...



Angela Rumbold: "People must be persuaded..."

Although the single market gives an added urgency to the need for European language training, the LX network also offers training and advice relating to non-European areas, notably Japan...

individual, and suggest the best methods by which these can be achieved. Then the LCC does the donkey work, matching suitable providers. This may be anything from recommending a self-study course to a total immersion programme or a residential course in the foreign country concerned...

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HOW TO SPEND IT

Lucia van der Post reports on how the German fashion industry is coming out of the closet, and on prize pups for dog-lovers

Sharper images by consensus

THE problems of the German fashion industry can be summed up in one word - image. After all, can you name a German designer? And if you do happen to be one of the fans who either wears or knows about Jil Sander, Escada or Mondl, probably Germany's three most famous designers, how many others spring to mind? When you think of how easily the names of French, Italian, Japanese and American designers trip off the tongue, you will see Germany's problem immediately.

On the other hand, the success of the German fashion industry can also be summed up in one word - Deutsch-

marks. From department stores in Missouri to boutiques in the international capitals, German clothes sell - so successfully that today Germany is the world's second largest producer of clothes. Last year, its exports to the EEC rose by 22 per cent and it is now the UK's third largest supplier of women's wear.

All this means that while the average British woman might not know the name of a single German company, almost certainly she wears some German clothes. There is hardly a company which carries a recognisably German name - Escada and Mondl, Louis Ferand and Orliet, Betty Barclay and Blacky Dress for example, all sound more like an international roll-call rather than anything specifically Teutonic - and yet they are all over the high street.

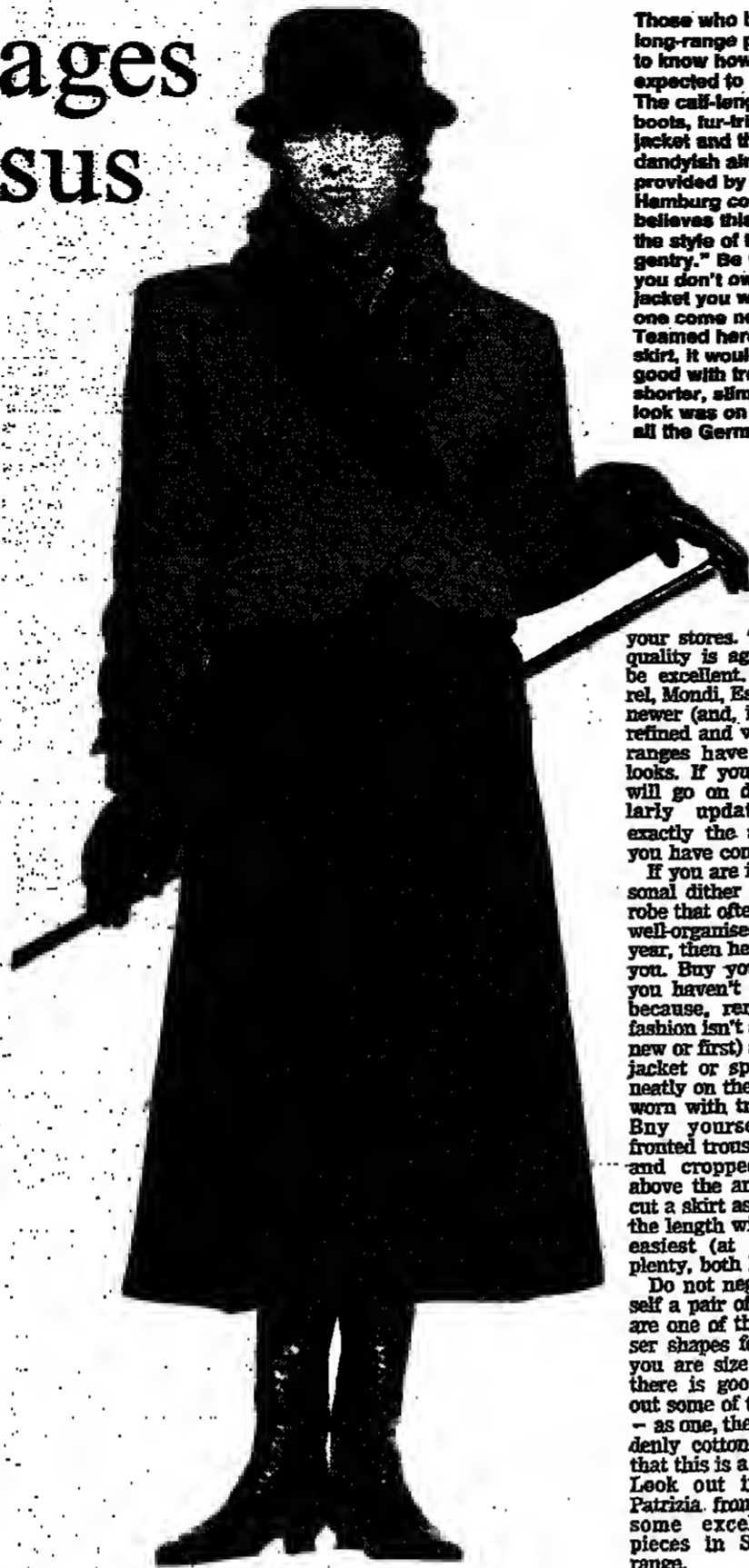
Indeed, one of the most successful companies, Steilmann, hardly had a recognisable label of its own until it launched its KL (Karl Lagerfeld-designed) range recently - almost all of its production goes to large department and fashion stores (including Marks & Spencer) who then put in their own labels.

The secret of Germany's fashion success seems simple but could hardly be more difficult to bring about. It is based on reliable quality, prompt delivery, and a determination to keep close to the customer and give her what she wants.

Company president Klaus Stellmann puts his success down to excellent organisation, almost 95 per cent reliable deliveries, an ability to react very quickly and, above all, a real willingness to be customer-oriented. "It is important, above all, that we listen to the customer. For instance, the short skirt was initially a great disaster for most fashion houses. When we found women didn't want to wear short skirts, we turned our production round immediately and, instead of delivering the 21-inch skirts they'd ordered, we gave them 27 inches and prevented a disaster."

Herwig Zahn, the chairman of Mondl, one of the most high profile of the German companies, is almost equally low-key in his stated aims: "Our clothes are practical, modern and - so to speak (my italics) - fashionable. We try to get the relationship between price and quality right. Personally, I think fashion should not be too expensive."

Sensible, successful and beautifully organised though all this is, it does leave you feeling that there is something vital missing at the heart of it all - new ideas, real creativity, a sense of excitement. They are the backbones of the fashion industry. They have to come from somewhere but, at the moment, it seems they come mostly from the big designer names in other countries. One



KL is a new label for Steilmann, one of West Germany's largest clothing companies. Until now, most of its production has been for department and fashion stores to sell under their own labels. The KL range (designed by Karl Lagerfeld) is its most upmarket, high-profile and successful label. Launched only three years ago, Steilmann expects it to do some DM450m worth of business. KL ranges are stocked by Fenwick of New Bond Street, London W1, Harrods of Knightsbridge, and many other shops up and down the country. This tonette red suit is 100% cotton (£268). It is at Alberre Odette, 30-41 Portchester Road, London W2, and Angles, 81 Queens Road, Weybridge, Surrey.

Those who believe in long-range planning may like to know how they could be expected to look next winter. The call-length velvet skirt, boots, fur-trimmed spencer jacket and the slightly dandyish air are in this case provided by Miss Britt, a Hamburg company, which believes this look to be "in the style of the British landed gentry." Be that as it may, if you don't own a short, curly jacket you will feel in need of one come next winter. Teamed here with the long skirt, it would look equally good with trousers or a shorter, slimmer skirt. This look was on offer from almost all the German companies.

your stores. The price for the quality is agreed generally to be excellent. Labels like Laurel, Mondl, Escada and now the newer (and, in my view, more refined and very wearable) KL ranges have very consistent looks. If you like them, they will go on delivering a regularly updated version of exactly the sort of look that you have come to expect.

If you are in the kind of seasonal dither about your wardrobe that often afflicts even the well-organised at this time of year, then here is my advice to you. Buy yourself (if that is, you haven't already got them because, remember, German fashion isn't about being either new or first) a little curly wool jacket or spencer which sits neatly on the waist and can be worn with trousers or a skirt. Buy yourself some pleat-fronted trousers which are full and cropped a few inches above the ankle. Buy as well-cut a skirt as you can afford in the length with which you feel easiest (as CFD there were plenty, both long and short).

Do not neglect to buy yourself a pair of jodhpurs - they are one of the important trouser shapes for next winter. If you are size 16 or over, then there is good reason to seek out some of the German labels - as one, the industry has suddenly cottoned-on to the fact that this is a neglected market. Look out in particular for Patricia from Mondl, and for some excellent, desirable pieces in Steilmann's 42-52 range.

Stores carrying German labels: Harrods has a huge selection, including Louis Ferand, Laurel, KL, Escada, Mondl and Truc Simons of Escadilly, London W1, has Fink, Edo and lots more. Harvey Nichols has Laurel, Michael Sturm, Janina Schreck, Gaddis and KL, while Selfridges carries John Pill, L'Estelle and Lutz Textloff. House of Fraser stores all carry a good selection of Mondl and other labels.

is drawn to the conclusion that Germany is seriously in need of some real creative input. What you see everywhere is a form of what I can only call consensus dressing.

Consensus fashion was in powerful form last weekend in Düsseldorf where Igodo's Collections Premieren Düsseldorf fashion fair was showing the wares of some 1,600 manufacturers. They seemed to think almost as one about what the customer will be wanting to wear next winter. Springing down the catwalk came violet or burgundy teamed with curry (although with plenty of sub-plots of greys and blacks).

The wardrobe is based essentially on separates which will be co-ordinated intricately so that you will be able to tuck the skirt that goes with the trousers that go with the jacket that goes with shoes and so on and on. Fans of the mix-and-match school can mix-and-match merrily all season.

As a rule of thumb, you can identify top German fashion houses by their lavish sweaters, often embroidered heavily or embellished with patterns using most of the colours in the chosen colour group - no plain charcoal grey turtle-neck cashmere for them, no simple navy cardigan à la Chanel - and by the carefully thought-out way in which the sweater ties together skirt or trousers and jacket. These are sweaters with which to make a statement.

Sally Ireland, the buying director for women's wear for House of Fraser stores, summed up much of the appeal of the best of the German clothes when she talked about the new Mondl lines. "These are very upfront clothes. They



Above: Laurel is another of the German companies whose carefully co-ordinated separates can be found in many stores up and down the country. Its success is based on the ease with which it enables the customer to buy separate pieces which add up to a complete outfit. However, most of these can then be given an exciting new lease of life when they are teamed with other, existing items in one's wardrobe. Shown here is one of the options for this coming summer - a long jacket (£188) and snappy skirt (£73) in a black and ivory check wool viscose. Worn with it, to a distinctly dramatic effect, is a co-ordinating shawl, £69. All are to be found at Harrods of Knightsbridge, London SW1; Dickens & Jones, Regent Street, London W1; Annabel Harrison in Bath, and Ailcia Kite in Nottingham.

Armchair guide to canine companions

MAN'S best friend has become awfully controversial of late. What with the fuss over the abolition of the dog licence, the genetic debate over "doggy engineering" and the argy-bargy between Crufts and the RSPCA, Rover is no longer so potent a symbol of domestic contentment, more a focus of raging vested interests.

However, if you simply want to do as man has done since time immemorial and find yourself a doting companion that never answers back, that is always thrilled to see you, that all the family will love and is (relatively) cheap to run, then what could be better than your very own pooch.

Breeds, you may not be surprised to learn, move up and down the popularity charts as fast as pop stars. For town-dwellers (according to Christopher Grievson of Town and Country Dogs, 35h, Sloane Street, London SW1), the present top-dogs are Yorkshire terriers, Shih-tzus, West Highland terriers (which are very sweet-tempered and need only one hour's exercise), and Cavalier King Charles.

Pekinese and pugs, while lower down the charts, are other good choices for town-dwellers; but if there is any town-dweller who really fancies a larger dog, his advice is don't be swayed by a dog which is much like having a child - if you do it responsibly and look after it properly, you can perfectly well keep a large dog in a city. You just make sure to give it all the exercise it needs.

He himself is a bulldog fancier and, as their capacity for exercise is strictly limited, they are ideal for those who like larger dogs but who don't have the time or inclination for very long "walkies."

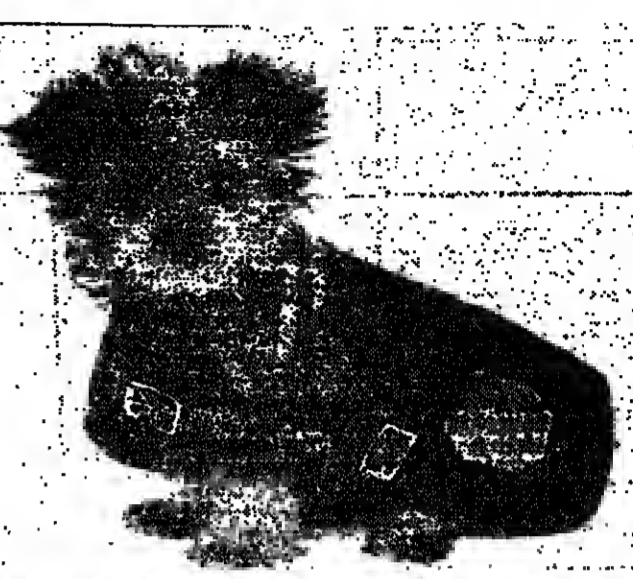
When it comes to choosing a dog, most vets suggest that if you want a pure breed you should go to an original breeder. The Kennel Club at 1 Charles Street, London W1, will give you the address of the society which deals with each breed; these will give you the address of breeders. If you are on good terms with a vet already, consult him or her - usually, they are plugged-in to the doggy circuit and often hear of animals for sale.

Compared with most hobbies, keeping a dog is not the yachting, shooting or snooker fishing league. Grievson sells most of his puppies at three months of age for somewhere between £250 and £350 - but don't all rush because (a) he has a long waiting list and (b) he sells only if he's convinced that you will be a good dog-owner ("Dog ownership should not be undertaken lightly. I have even been known to march into somebody's house and take the dog away because I felt he was not being looked after properly").

If you make the grade, he will sell you a complete "package" - puppy, information pack, insurance, vet recommendations and home delivery of pet food.

If you don't mind about genes and simply want companionship and all the attendant pleasures and responsibilities of dog ownership, then the Battersea Dogs' Home, Battersea Park Road, London SW8, is a good place to look. At any given moment it has some 700 dogs from which to choose, all of which need a new home urgently.

Most will be mongrels; but of the pure breeds, there are usually quite a few greyhounds, alsatians and labradors, as well as assorted others. Every dog is checked by a vet when it comes into the home, is given all essential inoculations, and is watched over for at least seven days before it can be bought. Although the dogs all need hadly to be fed, loved and walked, the home can't charge prices that are too low in case people buy in order to sell on. But for somewhere between £20 and £50, you should find as lively and appealing a tear-jerker as you could wish for.



Waxed cotton jackets for yuppie pooches: from Harrods pet department, £20.20 to £43.70

Slime; you see them all over London's parks going "walkies" with anything up to six dogs at a time. Harrods' pet department is always a touchstone of canine mores. Upwardly-mobile metropolitan pooches do as their owners do and smooch about town in the kind of gear that belongs on ancestral acres. Dark green or navy Burberry coats in waxed cotton - some thornproof, some with a classic check lining - are the latest thing.

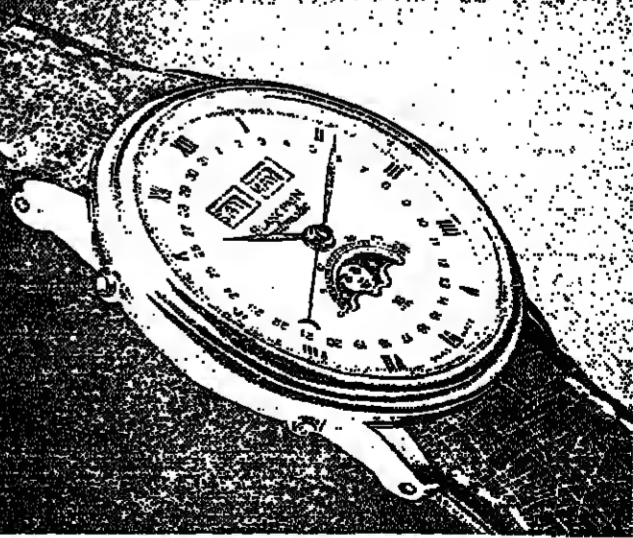
Canine couture has gone the way of human - the fashion-conscious dog these days thinks that understated Englishness is what counts. He avoids the vulgarities of rhinestone collars and too much frill (it might be all right in the hands of a Lacroix hat the canine world still awaits a genuinely creative talent).

Plain, chic, dark colours go down best. There are tasteful little sweaters in dead plain colours, many with polo-neck collars, at prices starting from



Small dogs can sleep sweet dreams on velvet cushions in a proper oak bunk bed, in one size only, £350, from Harrods

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DIVERSIONS

Trireme display founders

Greeks decline to allow replica at Henley, reports Christian Tyler

PLANS TO show off the world's only replica of an ancient Greek trireme at the Henley rowing regatta this summer appear to have foundered despite elaborate preparations...

rowed the ship in the Aegean - were dismayed to be told that the visit was off. An appeal was being made yesterday to the Greek ambassador in London.

A trireme enthusiast, George Dracopoulos, of the Empros Line, has offered to transport the Olympias to Tilbury on one of his cargo vessels, lashed to the deck on a special cradle.

another two tonnes, putting the payload near the Halo's limit. However, Coates calculated that the draught of the rotors - which have a span of 105 ft - on the deck of Olympias would add another 12 tonnes of drag.

The trireme was the fastest and deadliest weapon of its day in the Mediterranean. It was reconstructed by two British scholars: John Morrison, a classics don and former president of Wolfson College, Cambridge, and John Coates, a retired chief naval architect from the Ministry of Defence.

The Hellenic navy had decided, regretfully, that the technical difficulties of getting the Olympias to Henley were insurmountable, said Victoria Solomonides, cultural attaché at the Greek embassy in London.

The alternative proposal was to airlift the ship for the last leg of its journey. Sean Gallagher, a consultant employed by the Trireme Trust, discovered there was no British or American helicopter not even the USAF's "Jolly Green Giant" - large enough for the job.

Thus, what promised to be the strangest spectacle of the year - vast Russian war machines bellowing upstream with a ship of 500 BC in their claws - has been denied to the river-dwellers of Berkshire.

CAMELS are the key to much of the history of North Africa and the Middle East, because they allowed man to overcome the desert.

Why humans owe a debt to camels

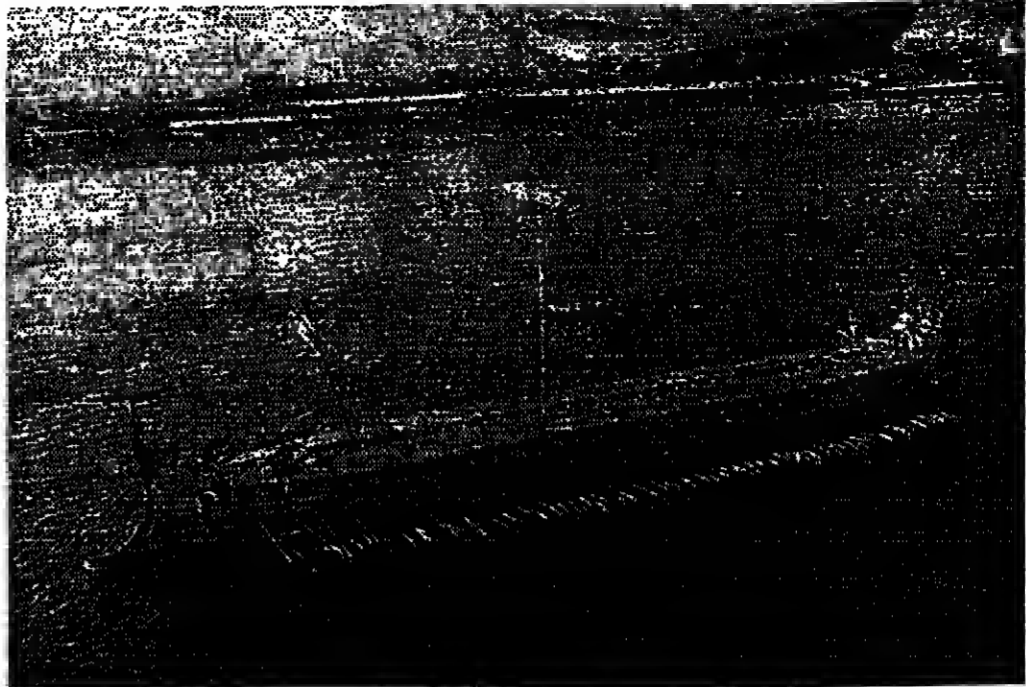
When did we start to use them? In Arabia, probably by the 3rd millennium BC. In North Africa the answer is not known, but new carbon 14 dates from Oxford push the time of the introduction of domesticated camels in the Nile valley back by several centuries.

water through the strength of their kidneys, impurities in the body are drawn and shut their eyes and nostrils, while the drivers shelter against them.

Camels do not need roads, and the extraordinary progress of the Arabs and Islam through north Africa needed camels. Their broad pads take people, ideas, goods and technology across sand and dust areas that are otherwise impassable.

Camels were used for attacking with bows and spears, or for hijacking caravans. Camels do not need roads, and the extraordinary progress of the Arabs and Islam through north Africa needed camels.

Archaeology



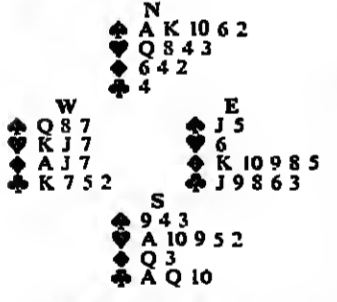
The Olympias... would have been skylifted up the Thames by two enormous Soviet helicopters

although there is the question of who will pay the £30,000 of berthing charges at Tilbury. The Olympias can squeeze under all the bridges on the course, although it would have to shoot Hammersmith Bridge at the very lowest point of the tide.

because it has a good stretch of protected water. Gallagher has advised the trust to seek sponsors for two ships because, as he says, "you can breed from two".

The ships would cost £70,000 each to build and the boat-houses, exhibition centre and crews' quarters about £1m. The centre would cost about £300,000 a year to run.

THE FIRST hand today occurred a week ago in a duplicate pairs event in which I was playing. It involves no advanced technique but a form of deceptive play, which I enjoyed:



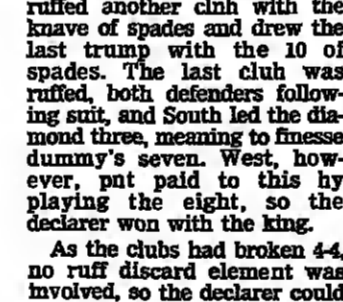
East was the dealer with neither side vulnerable. After East's pass I opened with one heart on my fairly indifferent collection, and my partner's four hearts concluded the auction.

Bridge

duced the knave of clubs I saw a gleam of hope. I might perhaps work a swindle on West. Taking with my queen, I at once returned the 10, looking like a man who was anxious to ruff in dummy.

South decided to open the bidding with four spades. North said six spades - he could hardly bid less - and this was followed by three passes.

monds. Looking more deeply into the position, declarer saw a possible endplay.



As the clubs had broken 4-4, no ruff discard element was involved, so the declarer could lead to hand with a spade and lead another diamond. West produced the 10, the knave covered, East took with the queen.

Chess

THE THREE remaining world championship quarter-final matches have just been completed, and their outcome increases the already strong likelihood that the eventual title series of 1990 will once again feature Anatoly Karpov as the challenger to holder Gary Kasparov.

Chess

found optimum form and his classical style refuted Spraggett's attempts at confusing pawn advances on the flanks. Black's 26... P-QN4 seized the initiative, and at move 28 Spraggett allowed a queen sacrifice which natted Yusupov, rook, bishop, two pawns and, most important, a dominant initiative where the Canadian king was caught in the crossfire of Soviet pieces.

both semi-finals will be played in London, probably in October. Pairings are Karpov v. Yusupov and Speelman v. Timman.

Chess

On all recent form, Karpov ought to win again, but the other contest should be close. Home advantage favours Speelman but Timman is much more experienced in match play, while several of his best tournament performances have been in Britain.

The Devil strikes out

Jonathan Sale on the spiritual wellbeing of the UK as described in the latest Good Church Guide

HOW ARE the Powers of Evil doing? Not so well, I am glad to hear. St Paul's - not the St Paul's, but the one in Woodburn, Buckinghamshire - admitted with commendable honesty to being "an ideal church for sinners".



Further, "We hope to demolish the building," says St Paul's, bluntly continuing to grovel cheerfully, "and build a new church and community centre."

Chess

On the other hand, the good folk of Elsdon Avenue United Reformed & Methodist Church, Whitley Bay, Tyne & Wear, boast of being so outgoing that they are "not willing to remain indoors."

Chess

Still, at least they have an actual church out of which they can go; that is not to be the case for very long as far as Putney Baptist Church in south-west London is concerned, meeting as it does "in a building which is falling down about our ears and likely to be denounced as structurally unsafe at any time."

Chess

Clearly, there can clearly be no argument that Albany Church for the Deaf is the place to go in Edinburgh for a 15-minute sermon in sign language; nor that Kingswood Church in Luton goes one

Heresy and Rushdie

HERESY is an outmoded concept in the West. In our ultra-sceptical era, when revisionism is rampant in all walks of life, even to the extent of questioning the nutritive properties of the humble breakfast egg, it is hard for us to conceive of any doctrine, whether religious or secular, whose undermining by a satirical fiction writer would cause universal outrage, let alone threats of death.

Literary editor Anthony Curtis has his say on Satanic Verses

and undermining the sacred code of the society in which he was brought up. Many major novels owe their importance, indeed their historical significance, to such a betrayal. E. M. Forster betrayed the sacred code of the Raj in A Passage to India.

Or to take an example from the "post-war" period, Portnoy's Complaint: in this instance, where there was a direct assault on the sanctity of family, the author was ostracized initially.

The Devil strikes out

Rushdie has published only five books, the others being the comic fantasy, a science-fiction fantasy, a novel, and a collection of short stories. He has been the Booker Prize in 1981 and changed his life completely; Shame, which did for Pakistan what Midnight's Children had done for India and which, with its cryptic portraits of Zia, Bhutto and Benazir Bhutto, seems amazingly prophetic in retrospect; and The Jaguar Smile, a semi-documentary about Somoza, the dictator, and the Sandinistas in Nicaragua.

BOOKS

The novelist who died from writing

Anthony Curtis discusses the life, times and literary friends of Stephen Crane

HERE IS a famous photograph of Henry James eating a doughnut in the garden of Brede Place, Sussex. The doughnut had been cooked by a charmingly well-endowed lady in a white summer frock and wide-brimmed Ascot hat, who called herself Cora Crane. She was the common-law wife of the American novelist and journalist, Stephen Crane. The Cranes had come to England at the beginning of 1899 when he had little over a year left to live.

THE CORRESPONDENCE OF STEPHEN CRANE edited by Stanley Werthen and Paul Sorrentino Columbia University Press: Two volumes \$26.50, 772 pages

A KING OF CONSPIRATORS: Henry James and his literary circle 1895 to 1914 by Miranda Seymour Hodder & Stoughton £17.95, 327 pages

Stephen Crane paid 400 more letters than are in the previous edition, Stephen Crane: Letters, edited by Stallman and Gilkes in 1980. We can now read in full, for example, a withering letter from Cora Alice Crane, the wife of an American journalist who had refused to contribute to her fund for the Frederic children on moral grounds. It shows Cora's belligerently supportive nature, for the most part, her fund-raising efforts were devoted to borrowing enough money to keep her and Crane's vast army of creditors and local tradesmen at bay.



The couple were generous to a fault. Crane - or "Baron Brede" as he was dubbed, a pioneer in so many things connected with 20th century literature - was the originator of the view that the writer of one hugely successful book, in his case The Red Badge of Courage, is entitled thereafter to live beyond his means permanently. His future work was mortgaged months ahead to publishers and editors; and he wrote himself to death, while suffering from tuberculosis, trying to keep up with his commitments.

How Lloyd escaped the shadow of Suez

Malcolm Rutherford on a politician who was much more a ventriloquist than a dummy

SELWYN LLOYD by D.R. Thorpe Jonathan Cape £18.00, 515 pages

THERE WAS obviously more to Selwyn Lloyd than many people realised. Foreign Secretary at the time of Suez and the Chancellor of the Exchequer who was sacked by Harold Macmillan, he was not a man covered in laurels. I seem to remember that he had a slight stammer but, since this book makes no mention of it, perhaps even that is wrong: picked up from the view that Lloyd was often the dummy, seldom the ventriloquist.

tify the body of Himmler, who had committed suicide a few minutes before. In 1945, he became the Conservative MP for the Wirral, a seat which he held for 31 years. For no very obvious reason, he was put on the Beveridge Committee on the future of broadcasting. Lloyd broke with all conventions and challenged Lord Reith's view that the BBC had to be a monopoly. He produced a minority report that eventually eased the way for the introduction of independent broadcasting. That was no more popular at the time with his own party than were his views on the abolition of the death penalty.

WHILE NEGLECTED women novelists and poets have attracted a great deal of biographical and critical attention over the past decade or so, the task of rescuing once-famous female academics from obscurity has been regarded generally as a less obviously appealing one.

entrenched misogyny. Born in Yorkshire in 1860, Jane was one of the earliest students at Newnham College, Cambridge. After lecturing on Greek art at the British Museum for 29 years, she returned to Newnham as a research fellow at the age of 48 and began to concentrate on the study of Greek religion; with two other classicists, Gilbert Murray and Francis Cornford, she formed a group known as the "Cambridge ritualists." In 1922, she left Cambridge abruptly to live in Paris with her old friend and ex-student, Hope Mirrielees.

Sorrows and struggles

JANE ELLEN HARRISON: THE MASK AND THE SELF by Sandra J. Peacock Yale University Press £14.95, 283 pages

own potentially explosive emotions under rigid control. The biography links this repression of feeling to the "horror of male sexuality and its equation with both overwhelming power and the pain of rejection and separation" which, Peacock argues, resulted from Jane's childhood experience: her mother died a month after giving birth to her and, when she was five, her father married her governess, who became a hated rival for his affections.

the ways in which it was possible for women to define themselves within early 20th-century academia. Jane uttered some powerful and amusing condemnations of the domesticity that dominated the lives of many of her colleagues, both male and female. She also attempted to distance herself from the extreme respectability of Newnham, and to claim some of the same latitude of behaviour which was granted to male dons; Bertrand Russell notes that she was "envious for her power of enduring excess in whisky and cigarettes."



Selwyn Lloyd: Identified Himmler's body

Macmillan must have had some respect for him, for in 1960 he made him Chancellor and, suddenly, Lloyd became his own man again. Very few chancellors can be remembered for so many innovations in so short a time. Under his stewardship, the National Economic Development Council was invented, the introduction of regulations, whereby the Government could vary taxes by 10 per cent either way without recourse to a budget. He brought in the beginnings of incomes policy: first the pay pause, then the guiding light. That list is not exhaustive and should not be judged entirely with hindsight. Some economic commentators who may criticise it now were immensely respectful at the time. Lloyd's first Budget was one of the most praised of the post-war period.



Jane Harrison (left) with Hope Mirrielees in Paris, 1915

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Puttnam in flashback

ENIGMA: DAVID PUTTNAM, THE STORY SO FAR by Andrew Yule Mainstream £14.95, 475 pages

THE PHOTOGRAPH on the cover - two hands held up to a face with haunted eyes and tousled hair - looks like a portrait of David Puttnam screen-testing for Raskolnikov. In giving us "the story so far" of Britain's most famous movie mogul, author Andrew Yule tackles an age-old problem: how to make a film producer, as opposed to star or director, seem creatively interesting, let alone a prey to romantic or Dostoevskian torments.

Even though he was on the Goldcrest board when the film was signed up. And to the clear fury of Alan Parker, whose friendly scepticism towards his old mentor is enshrined in the 20-odd Parker cartoons dotting the book. Puttnam even did an about-turn on their own film, Midnight Express. Faced with a critical onslaught about the film's lurid violence, he shifted ground and confessed to "depths of misjudgment."

THE TRADECRAFT OF LE CARRÉ THE INSIDE EDGE OF THE NEWS DESK THE KILLING GROUND OF BEIRUT THE ESPIONAGE SUPERSELLER OF THE YEAR

THE WORD IS OUT ABOUT DAVID IGNATIUS

EXCELLENT

Agents of Innocence

NOW IN PAPERBACK

DAVID IGNATIUS

ARTS

As the Russians come to London, our critics review the first of two Soviet productions and talk to the Moscow Jewish Theatre's director

Struggle for power

THE TWO Soviet companies at the Lyric Theatre in Hammersmith are here as part of a cultural exchange with the Theatre Workers Union of the Russian Federation...

introducing a music hall couple who hope for a return to old times. We see Lenin twisting Trotsky to his will and fending off the considerable challenge to his authority by Bukharin...

The setting is a half-wrecked conservatory, jagged panes of glass and a forlorn classical pillar. The vital impression is simultaneously of decadence and of the revolution as an incompleta mission.

Michael Coveney's translation is spoken through the excellent simultaneous English system by Frances de la Tour and Alan Rickman...

Shalom to Vanessa

of Levenbuk's own career as a highly successful variety artist and radio actor. Its author, Arkady Khaik, is his close associate...

He has nothing but the warmest feelings for "Vanessa" (as he refers to her). She paid two visits to the company in Moscow, first when the play was still incomplete...

The Shalom company cherishes its links with Solomon Mikhoels, leader of the city's former celebrated Yiddish theatre...

Between these comes an actor carrying strong political ripples. From February 21, the recently-formed Shalom Company, or Moscow Jewish Theatre, will give eight performances...

Michael Coveney

Between these comes an

of Levenbuk's own career as a highly successful variety artist and radio actor. Its author, Arkady Khaik, is his close associate...

He has nothing but the warmest feelings for "Vanessa" (as he refers to her). She paid two visits to the company in Moscow, first when the play was still incomplete...



Scene from The Train to Happiness, performed by the Shalom company at the Lyric, Hammersmith next week

National goes International

FOLLOWING THE great success of International Theatre 87, which brought productions by Peter Stein and Ingmar Bergman to the South Bank, the National Theatre is to present a second international season...

First to arrive is the Teatro del Sur from Argentina who will give five performances of Tango Varsoviense in the Cotswold auditorium in the last week of May...

Classical piracy in Catalonia

THEATRE IN Barcelona has long been a public spectacle arousing censure and passion. Even in 1976, three years after the death of General Franco, actors of the Catalan group Els Joglars, deemed to have insulted the army, were tried by a military court...

direct quotations and echoes before the orchestrations go through the Catalan mincing machine. A heart-tugging cabin boy, ghosts of dead heroes and marketing of bric-a-brac testify to yet more musical homage from Catalonia...

Although the concert is being interpreted in some quarters as a one-off exercise in political cosmetics, many believe it will be the clearest sign yet of a relaxation in the ideological warfare between East and West Berlin...

Herbert von Karajan in their midst will cross the Berlin Wall, preceded by three busloads of musicians from the Berlin Philharmonic Orchestra. They will have a brief rehearsal in East Berlin's magnificently restored Schauspielhaus Concert Hall...

Sign of glasnost at the Wall

The groundwork for increased cultural contacts was partly laid by the "Kulturabkommen," an agreement signed by the East and West German governments in 1986 to regulate cultural exchange...

resident on either side of the wall, has not yet been allowed to play in the Western sector. Götz Friedrich, who began his career as a Feinseinstellung pupil at East Berlin's Komische Oper and is now intendant of the Deutsche Oper in West Berlin...

Herbert von Karajan plans to take the Berlin Philharmonic into East Berlin. Andrew Clark reports

Wall was built were forced to choose between their homes and their careers. The orchestra increased its size by nearly 20 players to provide work for musicians who had lost their jobs in East Berlin. Today, the musicians have closer contacts with colleagues in Chicago and London than they do with their counterparts in the Berlin Symphony Orchestra...

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of Europe, Seville holds an international fair, and it will be the 500th anniversary of the fall of Granada and the colonisation of America. The magnificent Christopher Columbus memorial column is a strangely incongruous beacon in Barcelona. For, as Alcazar Boyd reminds us in his excellent new book, The Essence of Catalonia, 1492 may have been a triumphant year for Castile, but it also marked the shifting of the world's centre of gravity from the Mediterranean to the Atlantic, much to the detriment of Catalonia. Expulsion was all the rage, too. In 1492, the Jews were kicked out of Barcelona. In 1609 it was the turn of the Moors, banished from Valencia by decree of King Philip III. That incident is the basis for Mart i Cel which has been packing them in to the 1200-seater Victoria Theatre for the past five months. Based on a 19th century Catalan play by Angel Guimerà, the show is a simple amalgam of Les Misérables and the gaudy David Essex debacle Mating. The star is an eight-ton fully rigged galleon that rears, swivels and churns on a rotating ball-bearing device while the infidel pirates, led by Saló (Carlos Gramsà), a swaggerer in the Kevin Kline mould, roam the Balearic coast with a cargo of Christian hostages. An impossible cross-cultural love affair between the hairy-chested heathen dog and the aristocratic virgin Catholic, Blanca (Angels Gonyalons), results in tragedy, romantic rocky ariettes and pathetic consumption beyond the waxy grave. The ship becomes a heaving architectural monument of defiance among the drowns, just as the barricades do in Les Misérables. The composer Albert Guinovart has made a close study of the latter score, for there are many a bit like Strehler slightly on the cheap, the work is nonetheless of heart-warming integrity and ensemble conviction. The company roars to the finale on the shabby tiled floor surfaces with an elegant sardana routine and a clattering of castanets, and is received with tumultuous approbation.

Although the concert is being interpreted in some quarters as a one-off exercise in political cosmetics, many believe it will be the clearest sign yet of a relaxation in the ideological warfare between East and West Berlin. Since the Wall was built in 1961, the most striking feature of Berlin's cultural life has been the absurdity of maintaining two high-profile programmes within the one city, both existing in complete independence, neither side able to interact or share their audiences. This was very marked during Berlin's 700th anniversary celebrations in 1987, when the East Berlin authorities barely recognised the existence of the western sector in their programme. In the last 18 months, however, official exchanges have increased. This year East German representatives are to take part for the first time in the "Theaterfesten," West Berlin's international festival of German theatre. West Berlin is also to host a pioneering exhibition of works by the East German artist, Bernhard Heisterkamp. Plans are being made for a visit by West Berlin's Deutsche Oper to Dresden, and one of the company's most prominent artists, Victor von Haem, has been invited to sing in a new production of Der Freischütz at the Komische Oper in East Berlin. Earlier this month, the West Berlin Culture Senator, Volker Hassemer, was invited for the first time to open an exhibition in East Berlin devoted to the Nazi era. Hassemer acknowledges that these are small steps, but says anything that helps to breach the divide is positive. The impulse for greater contact has always come from the Western side. We were the ones knocking on the door. The difference now is that, instead of being ignored or turned away, we are suddenly finding that we are receiving an answer. Up to now, we've been the city at the edge of Western Europe, on the frontier with the East. We want Berlin to return to its old position as a halfway point between Paris and Moscow, not just geographically, but a city representing the centre of Europe.

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SPORT

The man behind Frank Bruno's biggest pay-day

Andrew Freeman profiles promoter Jarvis Astaire

WHEN BRITAIN'S Frank Bruno steps into a Las Vegas ring next weekend to face the granite fists of America's Mike Tyson...

'He has pulled off the coup of a lifetime while staying invisible'

Strange, then, that he should remain a very private figure who can walk the streets largely unrecognised...

put together a package of proposals and set about negotiating. First, Bruno had to be persuaded to fight in the US...

The Tyson-Bruno fight is in many ways the pinnacle of his career as a promoter...

isfaction from the arrangement with the Hilton. The hotel agreed to compensate Wembley for the exposure it lost by giving up the fight...

to business," says Astaire. "He could always amaze you with his grasp of detail." In parallel with his business interests, promoting sport has provided a rich seam which Astaire has mined with an enthusiasm motivated by a genuine love for competition and confrontation...

It was a world of cigar smoke and camel-colored overcoats, of the thick-set men who climb into the ring after fights to make their presence felt...

Astaire has done business with some of the leading British entrepreneurs of the post-war period. For example, he shared a controlling interest in Anglo-Continental, which he sold to Sir James Goldsmith...



Jarvis Astaire: uncanny ability to select the winning formula

the Post Office to show a boxing match on large-screen, close-circuit television. He hired the Phoenix Theatre in London for the fight between Terry Downes and Willy Pastromo...

More events followed after an agreement with Rank Organisation to screen fights and football matches in its cinemas. In 1966, Astaire was the promoter of, and had the close circuit rights to, the Ali-Cooper fight...

Compensation to Wembley, broadcasting spin-offs for the fighters. If it all looks rather cosy, imagine how much a rematch would involve in the unlikely event of a Bruno win.

David and I often used to discuss the all-important mental side of tennis. We agreed that the reason so few tennis players ever reach their full potential is because they do not understand how to programme their minds to release their latent talent...

Research has shown that by "visualising" a coming occasion and imagining in great detail all the things you will be doing on that day, you can actually "programme" the subconscious to expect what is

Belinda breaks the confidence barrier

John Barrett on the making of a winner

IF HE WERE sitting here beside me now, I am sure that the late David Gray would be feeling thoroughly gratified. Gruntled? Well, yes - happy, contented - the opposite of disgruntled...

Why would David be feeling gruntled? you ask. Well, because he would see that today I am writing about the success. In Melbourne last month of the 29-year-old New Zealander, Belinda Cordwell, the sort of talented but inhibited player he always admired...

Even in the semi-final, Belinda had pushed the No. 5 seed, Helena Sukova of Czechoslovakia, to three tough sets of five hard running and enterprising defence, before being subdued 7-6 4-6 6-2.

Research has shown that by "visualising" a coming occasion and imagining in great detail all the things you will be doing on that day, you can actually "programme" the subconscious to expect what is

created in the first set, she would have won the match. I knew, too, that Belinda had been working with Mark Cox, a fellow left-hander, who was fully aware of her difficulty in overcoming the fear of winning - a common problem among developing players...

Encouraging as her practice form was, Belinda still felt there was an element missing from her game. Here was a girl locked into a typical Catch-22: she badly needed a good win to boost her confidence but, until she could generate greater confidence, she would never achieve it...

Her performance last month at the Open did indeed reveal that Belinda had finally broken the confidence barrier. For a woman who was ranked 62 in the world and had never beaten a top 10 player before, it was all rather like a dream...

Research has shown that by "visualising" a coming occasion and imagining in great detail all the things you will be doing on that day, you can actually "programme" the subconscious to expect what is

coming so that, when it does happen, you are ready for it. I have proved to my own satisfaction that the system works for a tennis player.

The revelation that her problem was universal seemed to reassure Belinda a little. So did the realisation that there was professional help available nowadays for sportsmen caught in the confidence trap...

By sheer coincidence, while Belinda was playing for New Zealand in the Federation Cup in Melbourne, the following week, Australian golfer Roger Davis was winning the Bicentennial Classic on the other side of town...

Research has shown that by "visualising" a coming occasion and imagining in great detail all the things you will be doing on that day, you can actually "programme" the subconscious to expect what is

CROSSWORD

No. 6864 Set by DINMUTZ. Prizes of £10 each for the first five correct solutions opened. Solutions to be received by Wednesday March 1, marked Crossword 6,864 on the envelope, to the Financial Times, 10 Cannon Street, London EC4A 4BY. Solution on Saturday March 4.

Crossword puzzle grid with clues for Across and Down.

ACROSS 1 Bound to have black pattern (6) 2 Fimblest of British Rail - commercial wayout? (8) 3 Singer from Central America never in the country... (6) 4 Income of North American singer doing the rounds (8) 5 Tar-cooling receptacle on board? (8) 6 The fat, say, of the land (6) 7 Not fratricide? (4) 8 Unkempt kid takes tea-cake after Indian music (10) 9 Breakfast-food for spider-crab on the move? (10) 10 Always dream over in France (4) 11 Appear for the price of a florin? (6) 12 Antonio, perhaps, produces sea-song from France (8) 13 Red coins to change and weigh (6) 14 US dramatist makes a person sick (6) 15 Station for the last carriage? (6) 16 Try again (6) 17 V-v-v (4-1-4) 18 Bridge champion gets a mid-ong (6) 19 Opening left in this part of the church (7) 20 Excellent specimen of a snake (7) 21 The head - namely, at a former time (6) 22 Pick-me-up the fashion with Olympic finalists (5) 23 Huntsmen returning empty (4) Solution to Puzzle No. 6863

Solution to Puzzle No. 6863 crossword grid.

Solution and winners of Puzzle No. 6,862. Mrs A. Conquest, Melling, Merseyside; Mr P. Kent, Newport, Isle of Wight; Mr M.G. Leatham, Penrhos, Gwent; Mr L. Ward, Disbury, Manchester; Mrs A. Wood, Burnley, Lancs.

TELEVISION & RADIO

SATURDAY

Television and radio programme listings for Saturday, including BBC1, BBC2, Channel 4, S4C Wales, London, Anglia, Granada, Border, Central, Channel, Grampian, Ulster, Yorkshire, Radio, and Tyne Tees.

SUNDAY

Television and radio programme listings for Sunday, including BBC1, BBC2, Channel 4, S4C Wales, London, Anglia, Granada, Border, Central, Channel, Grampian, Ulster, Yorkshire, Radio, and Tyne Tees.